EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Sundry officers for appointment, and appointment, by transfer, and/or promotion, all in the Regular Army.

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Capt. Willard A. Kitts 3d, United States Navy, to be a rear admiral in the Navy, for temporary service, while serving as Assistant Chief of the Bureau of Ordnance, to rank from the 1st day of December 1943.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Gladys B. Kyle, to be postmaster at Rogersville, Tenn., in place of K. P. Hale, deceased.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc, and the President will be notified forthwith.

That concludes the calendar.

ADJOURNMENT TO WEDNESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 3 o'clock and 38 minutes p. m.) the Senate adjourned until Wednesday, December 15, 1943, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 13 (legislative day of December 7), 1943:

POSTMASTERS

MINNESOTA

Henry E. Hunter, Stephen.
Delbert I. Bjorklund, Winthrop.

PENNSYLVANIA

Caroline A. Smith, Lackawaxen.
Loretta M. McCloskey, Mountaintop.
Ralph McKean, Shohola.
Helen M. Nichols, Tullytown.
Stephen Rohart, Winburne.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 13, 1943

The House met at 11 o'clock a. m. and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord and Father of mankind, our abiding hope on the way to life, to liberty, and the pursuit of happiness, consider and hear us. Keep us steadfast in our faith that the most blessed truth is to labor for the things which cannot die and always ready to affirm them.

Thou who didst give Thine only Son to be made perfect through suffering, grant that by the measure of our love we may show our willingness to suffer and endure. In this time so full of solemn lessons, we pray Thee to make a place in our lives for worship and prayer, having the law of the Lord in our minds and the love of Christ in our hearts. Every great line of honesty, of honor, and heroism runs back to these values. O deliver us from the fallacy which allows men to do as they please with their station and influence; these belong to our Lord and country and we would make complete surrender at their altars. Almighty God, unify us with patience when the way is uphill and forbid that we should become a prey to contention. Heavenly Father, this gigantic struggle which is smothering the mind of the world, can be settled by what is in the hearts of men and women by grace, courage, and unselfishness, then will spring the crowning races of mankind. We pray that Thy providential care will guard and preserve our President and return him to our dear homeland. In our Redeemer's name. Amen.

The Journal of the proceedings of Friday, December 10, 1943, was read and approved.

TRANSFERRING CERTAIN FUNCTIONS OF PRICE ADMINISTRATOR WITH RESPECT TO PETROLEUM TO THE PETROLEUM ADMINISTRATOR FOR WAR

Mr. DISNEY. Mr. Speaker, pursuant to rule XXVII, I call up Calendar No. 2 of motions to discharge the Committee on Banking and Currency from further consideration of the bill (H. R. 2887) transferring certain functions of the Price Administrator, with respect to petroleum and petroleum products to the Petroleum Administrator for War.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Oklahoma [Mr. DISNEY] is recognized for 10 minutes, and if the gentleman from Kentucky [Mr. SPENCE] is opposed to the petition, he will be recognized for 10 minutes.

Mr. SPENCE. Mr. Speaker, I am opposed to the petition.

Mr. DISNEY. Mr. Speaker, this bill was introduced in the House some months ago. During the summer there were some conversations between the then chairman of the Banking and Currency Committee, who was not in good health at that time, and myself. While the Ways and Means Committee was considering the subject of renegotiation of war contracts in connection with the tax bill, the Committee on Banking and Currency was quite busy with the subject of the Commodity Credit Corporation.

At the time the petition to discharge was filed and laid on the Speaker's desk the Banking and Currency Committee was very busy, as Members of the House know. I cannot in frankness say to the Members of the House that I insisted upon the chairman of the Banking and Currency Committee fixing a definite date for hearings on this matter. An attempt was made all fall to get this condition rectified without legislation, but it was apparent that could not be done; therefore, the petition to discharge the committee was filed.

More than a hundred letters went to the chairman of the Committee on Banking and Currency asking for hearings on this legislation.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Kentucky [Mr. SPENCE] is recognized for 10 minutes.

Mr. SPENCE. Mr. Speaker, I feel it my duty to object to this motion to discharge the Banking and Currency Committee from the consideration of this bill in order to preserve the ordinary functionings of the House and the integrity of the committees. We all know that there are a great number of bills introduced every year which the committees cannot consider. It is absolutely impossible for the committees to consider all bills. The only bills that the committees consider are bills that the committees have been urged to consider by the introducers of the bills or those interested in them.

The secretary of our committee has searched the records and has found no written request from anyone for the consideration of this bill. I do not think there is any issue on that subject. I believe this will be admitted. Of course, the conversations that our distinguished friend had with the chairman of the Committee on Banking and Currency, whose lips are now sealed because of his sudden and almost tragic death, I know nothing about; but it seems to me that is not the proper way to request action by the committee. The committee, like a corporation, speaks by its records.

The gentleman from Oklahoma [Mr. DISNEY] was long a member of the Committee on Banking and Currency, and he had our respect and admiration because of his ability and legislative experience. A letter from him to the committee and a request for consideration of this bill would have had great weight. I feel it is my duty, in order to uphold the approved procedure of the House, that I protest against this action. Experience has shown since the foundation of our Government that committees are necessary for the handling and reporting of legislation.

Mr. PATMAN. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. If this matter is postponed, will the new chairman of the

Banking and Currency Committee promise to give this matter immediate consideration before the Banking and Currency Committee? I am a member of that committee and I would like to have a hearing. If the gentleman will agree to give an immediate hearing to both sides, that may alleviate the matter.

Mr. SPENCE. Under the circumstances, and as a majority of the House have requested it, yes.

Mr. PATMAN. The gentleman will give immediate consideration to hearing?

Mr. SPENCE. I do not say "immediate," because that means now, but as soon as can reasonably be done.

Mr. PATMAN. The next 2 or 3 days.

Mr. SPENCE. We are holding a hearing now. As soon as that hearing is completed, we can have a hearing on this bill. I think that is the proper way to proceed.

The committees give consideration to these bills; they have exhaustive hearings, and they report the bills. They give the Members of the House their reasons for their decisions. When a bill comes before the House in that manner the committee has it in charge and can answer questions of the Members of the House.

I think if you want ill-considered and half-baked legislation, the way to get it is to discharge committees from the consideration of bills. As far as I am concerned, I make the promise that we will give consideration to this bill. I think I would be recreant to my trust as chairman of the committee if I did not protest against this proceeding which robs our committee of its jurisdiction under the rules of the House without any reason.

I do not know that any statement I make will have any effect on those who signed the petition, but I do think you are doing something that will form an evil precedent. I think that when you decide you can take a bill from the Committee on Banking and Currency without giving it any chance to consider the bill, you are setting a precedent that will take jurisdiction away from every other committee of the House. We operate under precedents. Parliamentary law is something like the common law. It is truly remarkable how our able Parliamentarian can find the precedents for every decision. Take this bill away from the Committee on Banking and Currency, that has never been requested to consider it, and you have set a precedent that will be effective as to every committee in the House; and every one of my colleagues, I know, has some particular interest in maintaining the jurisdiction of some committee.

I ask you to vote down this motion, and we promise to give the people interested an early hearing before the Committee on Banking and Currency.

Mr. DISNEY. Mr. Speaker, I have great respect for the distinguished chairman of the Committee on Banking and Currency. It is awkward that I did not file with the then chairman of that committee a written request for consideration of the bill, and get his reply. Unfortunately, that was not done.

Of course, there are many precedents here for the discharge of committees. The wages-and-hours law, the Townsend bill, the Bonus bill and many others have been petitioned out of committees. The House would gain nothing in rejecting this motion to discharge, on the very good faith promise of the very distinguished chairman that hearings would soon be had. Let me remind you that hearings have been had. There were hearings before the committee of Mr. Cole, when he was a Member of the House, very exhaustive hearings. There were hearings before the Naval Affairs subcommittee of which the gentleman from South Carolina, [Mr. RIVERS], was chairman. That committee went about over the United States and looked into this subject and made a thorough, positive, and forthright report. Chairman LEA of the Committee on Interstate and Foreign Commerce has been holding a hearing on the subject. The Petroleum Administration for War has had hearings on the subject. All possible evidence and factual data that could possibly be presented to the Committee on Banking and Currency have already been presented and are ready for re-presentation here before the House. I doubt if anything would be gained by going over. I think the result would be delay, that should not continue to keep the production of oil down.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. None of the committees that have investigated this matter have had any authority to report a bill. The Committee on Banking and Currency would have that authority.

Mr. DISNEY. Yes; that is correct.

Mr. SPENCE. That is the very distinguishing difference between holding general hearings and the hearings to be held by the committee.

Mr. DISNEY. I am sorry the demand was not made for a hearing. As I have said, at least 100 letters went to the then chairman of the committee. I believe, and it is my good-faith judgment, that if the written demand had been made it would most likely have been rejected, or possibly delayed.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Is it not also a fact that in addition to the hearings the gentleman from Oklahoma has mentioned, for the past several months, almost every week, this proposed legislation has been discussed from the Well of the House under special orders and under permission to address the House for 1 minute by various Members from all over the country, not only from the oil-producing States but from other States urging that something be done in connection with the subject matter of this proposed legislation.

Mr. DISNEY. The House will remember that during the late summer and fall every possible effort was made to get the executive department to look at this matter as the facts, in our judgment, would justify. That was the reason for not having more speedy action in taking it from the committee or in asking hearings.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Is it the judgment of the distinguished gentleman from Oklahoma, who is the author of the bill, that although this measure does not happen to come from the committee at this time, there is any other measure that has been discussed more thoroughly on the floor of the House during the past 3 or 4 months?

Mr. DISNEY. I never have heard one more thoroughly discussed than the famous bonus measure, and in that instance the matter was taken from the committee.

Mr. REES of Kansas. Does the gentleman believe that even if the Committee on Banking and Currency, that has this bill in charge, should report this bill, the Members of the House would gain anything in the way of information with respect to this legislation?

Mr. DISNEY. Not more than we have here today.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from New York.

Mr. REED of New York. I am not altogether in sympathy with this way of bringing a bill on the floor.

Mr. DISNEY. Neither am I, but it was the only weapon we had.

Mr. REED of New York. This is the point. I think there is the most alarming condition existing now in this particular field of operation as it relates to the war than anything that has occurred since the war began. These stripper wells that are necessary to produce the oil needed to flow to our armies abroad, and to keep our ships and our planes running, are being depleted at a terrific rate, because they are pulling these wells, pulling the machinery, and the wells are going out of production with great rapidity every single day. Time is of the essence in the situation.

Mr. DISNEY. I agree there should be no delay.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. RANDOLPH. The gentlemen who have raised objection to the procedure which is followed here are clearly within their own rights because, of course, they speak for the committee of which they are members, and the chairman of the Committee on Banking and Currency is speaking for the committee over which he presides. I should like to recall to the House, however, that there has been a clear-cut cleavage on this issue between two main branches of our Federal Government, namely, the Office of Price Administration in opposition to an increase in oil prices and the Petroleum Administrator for War in advocating a needed rise. The Members of this body are fully conversant with the facts. Two hundred and eighteen Members have signified their intention of desiring the issue debated and voted up or down. It would seem logical the House should proceed today.

Mr. GIFFORD. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. GIFFORD. I did not sign the petition. I did not sign it because I tried to follow the principles of legislative procedure. This, to me, is almost as important as the legislation. I want to ask the gentleman, Does he consider that a precedent embalms a principle? There is an old saying, "Once a precedent is established, a principle is embalmed from then on." Is the procedure that we should do business in an orderly way and hold committee hearings receiving a permanent injury? I am frank to say to the gentleman I want to vote with him, but I still want to retain established and orderly procedure. I want to ask him this question, Does the gentleman recall any measure brought up in this way that passed the House? It is suggested that the anti-poll tax was passed by this route. It is extremely doubtful if that was wise legislation.

Mr. DISNEY. This is substantially procedural. It is an unusual procedure, I agree. But it has been done before. But it is time to get this issue settled here and now, and we can give the House the facts as well as the committee can.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. I favor and have so reported not only a 35-cent increase on oil per barrel, but more than that. The committee of which I am chairman investigated this matter thoroughly and we came to that conclusion. But we have a new chairman on the Committee on Banking and Currency who has never heard this testimony and neither have the members of that committee. This would be rather unusual, certainly very unusual when the chairman of the committee promises early hearings almost immediately. I trust the gentleman from Oklahoma will agree to a postponement, say for 1 week or 2 weeks or something like that, so we can have all the different people who are interested and who have information on this subject here before the committee to give us the benefit of their views. I want to know why I should change my mind about the price increase. I am for it in view of my present information. This bill is being brought in here under circumstances in which I doubt fair and deliberate consideration would be given to it. So I hope the gentleman from Oklahoma [Mr. DISNEY] will agree to presenting this bill to the Banking and Currency Committee. You are assured of a hearing and the committee can get all the facts and bring them back to the House and let us thresh this thing out.

Mr. DISNEY. The petition for discharge was filed long before the unfortunate passing of our great friend, Mr. Steagall, former chairman of the Committee on Banking and Currency. He raised no objection. I saw him several times and he did not complain.

Mr. PATMAN. But here is a direct promise of immediate consideration of this matter by the chairman of the Committee on Banking and Currency.

Mr. DISNEY. I saw Mr. Steagall several times and he did not complain because he realized the thing was pending downtown and he realized we had a peculiar situation.

Mr. PATMAN. But here is a direct promise of an early hearing by the chairman of the Committee on Banking and Currency. We must not destroy all the stabilization program. I do not claim this one thing would do it but it would be a step in that direction. I do not know what the answers are. I would like to know what the answers are. Our Committee on Small Business investigated it a few months ago and came to the conclusion that the gentleman was right. But let us bring the facts up to date. It will only take a very short time to hear the witnesses and I hope the gentleman will agree to a postponement. I am against breaking up price control and I do not expect to vote for this bill unless a hearing is conducted and I am convinced its passage will be in the public interest.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SPENCE. I yield 1 minute to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, from hearsay evidence, some of it obtained by listening to special orders, I have come to the conclusion that the legislation proposed was wise and I have not changed my mind, but I do believe that a safe, sound, and orderly way ought to be pursued in this case under the circumstances and I can hardly conceive of any circumstances that would change that policy. I do not believe we ought to break it. Of course, the gentleman from Oklahoma does not hesitate at all to accept fully the statement made by the chairman of the Committee on Banking and Currency that what may be termed an immediate hearing will be furnished. This has sort of been pressing on my thought. I would like to have hearings and I know you would, too, to base our judgment on the recommendations of a committee of this House, after hearings which, I feel, would have the confidence of the membership.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I believe I have 1 minute left.

The SPEAKER. Yes, the gentleman has 1 minute left.

The gentleman is recognized for 1 minute.

Mr. DISNEY. If the gentleman will yield to me.

Mr. SPENCE. I yield to the gentleman.

Mr. DISNEY. In the first place, I have not the authority to yield to a discontinuance because 218 Members have signed the petition. I do not feel that this is any disrespect to the Committee on Banking and Currency.

The SPEAKER. Any Member of the House who signed the petition can ask unanimous consent to postpone the consideration of the matter.

Mr. SPENCE. Mr. Speaker, this bill was introduced on June 7. The vacation intervened. On October 4, the petition was filed. During most of that time, after the vacation, we were engaged in the hearing on the Commodity Credit Corporation. There was no time to give consideration to this bill and I am willing to promise the House that if we vote down this motion we will start hearings next Friday on this bill.

Mr. PATMAN. And continue the hearings until they are finished?

Mr. SPENCE. And we will continue the hearings until they are finished.

The SPEAKER. The time of the gentleman has expired.

All time has expired.

The question is on the motion of the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 86, noes 20.

Mr. SPENCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 247, nays 71, not voting 111, as follows:

[Roll No. 168]

YEAS—247

Allen, Ill.
Allen, La.
Anderson, N. Mex.
Andresen, August H.
Andrews
Arends
Auchincloss
Barrett
Bates, Ky.
Bates, Mass.
Beall
Beckworth
Bender
Bennett, Mich.
Bennett, Mo.
Bishop
Blackney
Boren
Bradley, Mich.
Brehm
Brooks
Brown, Ga.
Bryson
Buffett
Burchill, N. Y.
Burdick
Busbey
Butler
Camp
Carlson, Kans.
Carrier
Carson, Ohio
Carter
Case
Chapman
Chenoweth
Chiperfield
Church
Clevenger
Cole, Mo.
Cole, N. Y.
Compton
Costello
Cravens
Crawford
Cunningham
Curtis
Day
Dirksen
Disney
Dondero
Dworshak
Eaton
Elliott
Ellis
Ellison, Md.
Ellsworth
Elston, Ohio
Engel, Mich.
Engle, Calif.
Fellows
Fenton
Fish
Fisher
Fogarty
Fuller
Furlong
Gale
Gallagher
Gamble
Gathings
Gavin
Gerlach
Gibson
Gifford
Gilchrist
Gillette
Gillie
Goodwin
Gossett
Graham
Grant, Ind.
Gregory
Griffiths
Gross
Gwynne
Hagen
Hale
Hall, Leonard W.
Halleck
Hancock
Hare
Harless, Ariz.
Harness, Ind.
Harris, Ark.
Hartley
Heffernan
Heidinger
Hendricks
Hess
Hobbs
Hoch
Hoeven
Hoffman
Holifield
Holmes, Mass.
Holmes, Wash.
Hope
Horan
Howell
Jeffrey
Jenkins
Jensen
Johnson, Calvin D.
Johnson, Ind.
Johnson, J. Leroy
Johnson, Luther A.
Johnson, Okla.
Jonkman
Judd
Kearney
Keefe
Kelley
Kennedy
Kerr
King
Kinzer
Kleberg
Kunkel
LaFollette
Landis
Lanham
Larcade
Lea
LeCompte
Lemke
Lewis
Luce
Ludlow
Lynch
McCowen
McGehee
McGregor
McKenzie
McLean
McMillan
McWilliams
Maas
Mahon
Manasco
Mansfield, Mont.
Martin, Mass.

Mason	Randolph	Sumner, Ill.
Merritt	Rankin	Sumners, Tex.
Merrow	Reece, Tenn.	Sundstrom
Michener	Reed, N. Y.	Taber
Miller, Conn.	Rees, Kans.	Talbot
Miller, Mo.	Richards	Talle
Miller, Nebr.	Rivers	Thomas, Tex.
Mills	Rizley	Thomason
Mott	Robsion, Ky.	Tibbott
Mruk	Rockwell	Tolan
Mundt	Rodgers, Pa.	Towe
Murray, Tenn.	Rogers, Mass.	Treadway
Murray, Wis.	Rohrbough	Troutman
Norman	Rolph	Vincent, Ky.
Norrell	Rowe	Vinson, Ga.
O'Brien, Mich.	Schiffler	Vorys, Ohio
O'Brien, N. Y.	Scrivner	Vursell
O'Connor	Sheppard	Weichel, Ohio
O'Hara	Short	Welch
Outland	Sikes	West
Patton	Simpson, Ill.	Wheat
Peterson, Fla.	Simpson, Pa.	Wickersham
Philbin	Smith, Ohio	Wigglesworth
Phillips	Smith, Wis.	Willey
Pittenger	Snyder	Wilson
Ploeser	Somers, N. Y.	Winter
Plumley	Springer	Wolcott
Poage	Stanley	Wolfenden, Pa.
Poulson	Starnes, Ala.	Wolverton, N. J.
Powers	Stefan	Woodruff, Mich.
Price	Stewart	Worley
Ramey	Stockman	

NAYS—71

Abernethy	Ford	O'Konski
Angell	Gordon	Patman
Barden	Gorski	Priest
Barry	Hays	Rabaut
Bonner	Hull	Ramspeck
Bradley, Pa.	Jarman	Robertson
Bulwinkle	Johnson,	Rowan
Burgin	Lyndon B.	Sabath
Byrne	Kean	Sadowski
Canfield	Kefauver	Sasscer
Clark	Keogh	Satterfield
Cochran	Kirwan	Sauthoff
Coffee	Lesinski	Smith, Va.
Colmer	McCormack	Sparkman
Cooley	McMurray	Spence
Cooper	Magnuson	Sullivan
Crosser	May	Voorhis, Calif.
Doughton	Miller, Pa.	Weaver
Durham	Monroney	Whitten
Eberharter	Morrison, N. C.	Whittington
Feighan	Murphy	Winstead
Flannagan	Myers	Woodrum, Va.
Folger	Newsome	Wright
Forand	O'Brien, Ill.	Zimmerman

NOT VOTING—111

Andersen,	Fernandez	Martin, Iowa
H. Carl	Fitzpatrick	Monkiewicz
Anderson, Calif.	Fulbright	Morrison, La.
Arnold	Fulmer	Murdock
Baldwin, Md.	Gavagan	Norton
Baldwin, N. Y.	Gearhart	O'Leary
Bell	Gore	O'Neal
Bland	Granger	O'Toole
Bloom	Grant, Ala.	Pace
Bolton	Green	Peterson, Ga.
Boykin	Hall,	Pfeifer
Brown, Ohio	Edwin Arthur	Pracht
Brumbaugh	Harris, Va.	Reed, Ill.
Buckley	Hart	Robinson, Utah
Burch, Va.	Hébert	Rogers, Calif.
Cannon, Fla.	Herter	Russell
Cannon, Mo.	Hill	Scanlon
Capozzoli	Hinshaw	Schuetz
Celler	Izac	Schwabe
Clason	Jackson	Scott
Courtney	Jennings	Shafer
Cox	Johnson,	Sheridan
Cullen	Anton J.	Slaughter
Curley	Johnson, Ward	Smith, Maine
D'Alesandro	Jones	Smith, W. Va.
Davis	Kee	Stearns, N. H.
Dawson	Kilburn	Stevenson
Delaney	Kilday	Tarver
Dewey	Klein	Taylor
Dickstein	Knutson	Thomas, N. J.
Dies	Lambertson	Wadsworth
Dilweg	Lane	Walter
Dingell	LeFevre	Ward
Domengeaux	McCord	Wasielewski
Douglas	Madden	Weiss
Drewry	Maloney	Wene
Elmer	Mansfield, Tex.	Whelchel, Ga.
Fay	Marcantonio	White

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. Bland with Mr. Shafer.

Mr. Cox with Mr. Brown of Ohio.

Mr. Curley with Mr. Brumbaugh.

Mr. Burch of Virginia with Mr. Jones.

Mr. Grant of Alabama with Mr. Taylor.

Mr. Drewry with Mr. Scott.

Mr. Harris of Virginia with Mr. Dewey.

Mr. Peterson of Georgia with Mr. Edwin Arthur Hall.

Mr. Lane with Mr. Jennings.

Mr. Rogers of California with Mr. Kilburn.

Mr. Schuetz with Mr. Pracht.

Mr. Mansfield of Texas with Mr. Lambertson.

Mr. Smith of West Virginia with Mrs. Bolton.

Mr. Pace with Mr. Martin of Iowa.

Mr. Slaughter with Mr. Hill.

Mr. D'Alesandro with Mr. Clason.

Mr. Cannon of Missouri with Mr. Herter.

Mr. Bell with Mr. Stevenson.

Mr. Jackson with Mr. Wadsworth.

Mr. Izac with Mr. Thomas of New Jersey.

Mr. Hébert with Mr. Gearhart.

Mr. Baldwin of Maryland with Mr. Stearns of New Hampshire.

On this vote:

Mr. Elmer for, with Mr. Hart against.

Mr. Kilday for, with Mr. Bloom against.

Mr. Schwabe for, with Mr. Wasielewski against.

Mr. Morrison of Louisiana for, with Mr. Fitzpatrick against.

Mr. Knutson for, with Mr. Klein against.

Mr. Anton J. Johnson for, with Mr. Pfeifer against.

Mr. Reed of Illinois for, with Mrs. Norton against.

Mr. Baldwin of New York for, with Mr. Cullen against.

Mrs. Smith of Maine for, with Mr. Delaney against.

Mr. Arnold for, with Mr. Capozzoli against.

Mr. Fulbright for, with Mr. Dickstein against.

Mr. Ward Johnson for, with Mr. Fay against.

Mr. Cannon of Florida for, with Mr. Buckley against.

Mr. Monkiewicz for, with Mr. Celler against.

Mr. Douglas for, with Mr. Gavagan against.

Mr. LeFevre for, with Mr. O'Leary against.

Mr. Anderson of California for, with Mr. O'Toole against.

Mr. Green for, with Mr. Marcantonio against.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

Mr. DISNEY. Mr. Speaker, I move that the House resolve itself in a Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 2887) transferring certain functions of the Price Administrator, with respect to petroleum and petroleum products, to the Petroleum Administrator for War. Pending that motion, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled between the chairman of the Committee on Banking and Currency and myself, and at the end of the 2 hours' general debate, the bill may be read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. DISNEY]?

Mr. FORD. Mr. Speaker, reserving the right to object, I do not think 2 hours debate is sufficient. That bill has never had any consideration by a committee. It should have a whole day debate. I ask that 8 hours be allowed, 4 hours on each side.

The SPEAKER. The gentleman from Oklahoma has preferred a unanimous-consent request. The Chair must put that. Is there objection to the request of the gentleman from Oklahoma?

Mr. FORD. I object, Mr. Speaker.

Mr. DISNEY. Then, Mr. Speaker, I ask unanimous consent that the time for general debate be fixed at 3 hours, the time to be equally divided and controlled by the gentleman from Kentucky [Mr. SPENCE] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. DISNEY]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. DISNEY].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 2887, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Oklahoma [Mr. DISNEY] is recognized for 1½ hours and the gentleman from Kentucky [Mr. SPENCE] is recognized for 1½ hours.

Mr. SPENCE. Mr. Chairman, I yield 30 minutes of the time allotted to me to be controlled by the gentleman from Kansas [Mr. REES] and 1 hour to be controlled by the gentleman from Pennsylvania [Mr. WRIGHT].

The CHAIRMAN. Without objection, the agreement is accepted.

There was no objection.

Mr. DISNEY. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I have not prepared any fixed speech on this subject. I believe it would be more interesting to the House to discuss the matter rather off the cuff, and try to present the salient features of what is involved. It involves some detailed discussion and I hope the House will be patient with me in the discussion.

I would like to proceed a few minutes without interruption, so as to get the chief features of what I intend to say before the House, and then yield for questions, if Members desire to interrogate me.

I would like to reimpress, if I may, upon members of the Committee on Banking and Currency, that there is no idea of disrespect for that committee, of which I was formerly a member, and for the members of which I have the greatest respect. We are in an awkward situation. The matter was being considered downtown. The Banking and Currency Committee was in the midst of that highly controversial Commodity Credit Corporation legislation. Frankly when the petition was filed, I had not the slighest expectation it would be made use of. I had a very definite impression that the price would be raised without legislation. Legislative action is, of course, awkward, and the discharge of the committee merely is procedural, and I hope no sense of pride on that subject will enter into anybody's thought, especially those members of the Committee on Banking and Currency for whom I have such great respect.

We are not trying to break this line. We have been hearing a lot of conversation and many comments and statements by people in all walks of life, high and low, that we must hold the line. We realize, of course, that we must hold the line to prevent inflation. We are not trying to break this line; we are trying to get up to the line. We have not been within calling distance of the line for a long time. I will come to that a little later.

In order to take, if I can, some of the fear of the consequences from the minds of Members, I have some charts here, official charts prepared by the P. A. W. These are exact photostatic copies of those charts borrowed for that purpose. They speak more graphically than any words that could be said to you here so that you will not get badly worried or bothered about the effect upon the consumers. This is going to cost some money to the consumers but I have yet to hear of a consumer who would not rather pay a little more for his gasoline and get it, than to pay less and not have it. We have rather been educated into the matter of a 35-cent-per-barrel raise for crude oil. That is less than 1 cent a gallon. If we pay 50 or 75 cents for a cocktail and we pay a nickel for a bottle of Coca-Cola, why should we feel there is something ominous and that the country cannot afford another cent a gallon, less than a cent a gallon, for crude oil, or fear the effect upon the consumers if the price were raised 35 cents a barrel? The effect would be eighty-five one-hundredths of 1 cent per gallon raise in the price of gasoline. I do not know of anybody in the United States who would not rather pay that and get it, than to save it, and not have it.

Now we come to the effect upon the population of the price raise. The armed forces use 32 percent of the oil. The drivers of passenger cars use only 15 percent. It gets down into fractions, do you not see—eighty-five one-hundredths of 1 cent per gallon on gasoline at 35 cents per barrel increase on crude. The drivers of passenger cars get only 15 percent. Industries, 12 percent; public utilities, 2 percent; operators of trucks, busses, and taxicabs, 12 percent. They may complain of the price being raised a little bit, for they get all the gas they need anyway. Railroads and transportation, 8 percent; householders heating with oil, 5 percent; farmers, 5 percent; all others, 9 percent.

I remind you again that this is an official document published and put out by the organization upon which the President placed the responsibility for procuring more crude oil; that is to say, the Petroleum Administration for War headed by Mr. Ickes; but the President's order does not give to the Secretary of the Interior and the Petroleum Administrator for War the right to fix the price.

Now to get down to figures in actual dollars and cents, these being percentages—does that frighten any of you about raising prices when you see these percentages? Fifteen percent of the oil only going to drivers of passenger cars. Are they going to mob you? Are the farmers going to do anything to you when they get only 5 percent? Or the householders?

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield for a question just before he leaves that subject?

Mr. DISNEY. I yield.

Mr. WOODRUFF of Michigan. Can the gentleman tell the Committee just how the rise in the price of gasoline and other crude oil products compares with the rise in the price of other commodities?

Mr. DISNEY. I am coming to that. We are at the bottom of the trough; I am coming to that with some language and a chart. I know the chart is graphic and I hope I may make the language graphic.

Drivers of passenger cars average $71.37 annually for gasoline. This would add $2.97 to the average cost of driving a passenger car. Would the driver not rather spend $2.97 and have some more gasoline than to save $2.97 and not have it? Then getting over here to the trucker; they spend $265.48 per year. This would add $10.06, that is on a 35-cent rate of increase on crude. Farmers operating tractors average $119.08 per year. This would add $4.96, keeping in mind the 35-cent raise; it would add $4.96 to the bill of the farmer, but he would get more gasoline, we hope, we believe, and we know we can prove to you that he would. Householders heating with oil spend $124.96 a year. This would add $11.93 to the householder's bill on the average.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. FORD. How much additional money would it cost the Government, the United States Treasury?

Mr. DISNEY. I do not know.

Mr. FORD. I notice the gentleman omitted that.

Mr. DISNEY. The more oil that is produced and sold, the more taxes the Treasury will receive.

Mr. FORD. Yes; but also the more it will cost the Treasury to buy it.

Mr. DISNEY. Yes; it would cost more, but that is not the point that is worrying them; what is worrying them is whether they can get enough oil at any cost.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. REED of New York. As a matter of fact, unless they do increase the price of crude oil and develop more areas where oil is found they run the chance of not getting oil for anything but the military, do they not?

Mr. DISNEY. Let us get this thing straight. This is not just a scheme of a lot of oil men to get more money; the whole economy of this country is involved in this proposition. I could not state it more graphically than Mr. Dempsey, former Member of this House, now Governor of New Mexico, when he was here last week. He said, "I am not interested in my oil men getting a better price. When the price is low, and it affects the economy of my State, then I am interested as Governor and it is my duty to go into the subject and see if it cannot be rectified."

Let me give you some figures on that subject. See how it affects the economy of this country? Take this country off wheels and the economy takes a nose dive. About one-fourth of the trucks are on the farms, about 1,500,000 tractors are on the farms. Fifty-six percent of all the livestock moves to market by gasoline automotive equipment.

The military program it is estimated will take 38 percent of the oil in 1944 and from 40 to 45 percent in 1945. It is 32 percent this year. I think that chart is a minimum. Fifty-four thousand communities in the United States, cities, villages, and towns, one of them a State capital, are dependent upon motor transportation. Take kerosene, for instance, the day of the old kerosene lamp has not gone. The citing of a few instances will illustrate to you how the whole economy of the country is affected.

Mr. Chairman, my distinguished friend the gentleman from Michigan [Mr. WOODRUFF] asked how oil compared in the parity index with all commodities. It startles you. I have a chart on that subject.

First, let me tell you the story. Along about 13 years ago the Texas fields came in. Other big fields came in. That drove the price down, but it gradually became more or less stabilized and hung along at a low price. Then the major companies were emboldened with the liberty they had under the trade agreements and they had a tendency and did keep the price down. It should have been 20 cents a barrel higher in 1938 than it was. They found out they had made a mistake, but they kept the price down because they were the chief buyers of oil. In 1941 oil was $1.17 on the average. Frank Phillips, of the Phillips Petroleum Co., a big independent producing company and buying company, posted a price raise of 25 cents a barrel. Mr. Henderson, then price administrator, demanded that he withdraw that offer, which he did. Mr. Henderson asked for 90 days in which to investigate to see whether or not to permit the price to go up 25 cents a barrel. July 1, 1941, was that date. After he had the 90 days he asked for more time and being cocoperative, the Phillips Petroleum Co. agreed to wait on posting the price. If the oil were not worth it, would the buying company be offering that for it? He was willing. We had been entitled to a price raise prior to that time. After Mr. Henderson asked for more time, we passed the Price Control Act on October 2, 1942, and oil was frozen at the bottom of the trough.

If you will look at this chart, you will see oil at an average of $1.17 a barrel. First, there is the freeze by Mr. Henderson, and by agreement the companies did not post the larger prices, then on October 1 or October 2 the official freeze was made.

Here is what raw materials other than oil did. Everything went up to 110. Oil stayed at 58.9. I tell you oil is the lowest on the parity index of any commodity in America at 58.9. The average index is 102.8. This is a comparison with other raw materials which run up above 110 to 115. Compared with the index of all commodities, oil is 63, still at the bottom.

Mr. REED of New York. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from New York.

Mr. REED of New York. What about labor costs?

Mr. DISNEY. Labor costs, of course, have gone higher, and, I may say, labor goes into the construction of the machinery that oil men use and is an essential element of everything involved in the oil business. It is highly technical machinery, costly machinery, the value and cost of which have been enhanced by high wages and labor costs. Labor in the fields has gone up also.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Montana.

Mr. O'CONNOR. I call the attention of the gentleman and the Members of the House to the fact that we in Montana today are paying $19 a day to oil drillers. We are also paying 100 percent for connections for oil pipes necessary in connection with drilling our wells, more than we did before the war.

Mr. DISNEY. Yes.

Mr. O'CONNOR. Wages are 100 percent higher than they were before the war.

Mr. DISNEY. Yes. The oil industry has always paid the highest wages of any industry in the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DISNEY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. STEFAN. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Nebraska.

Mr. STEFAN. This bill is for the purpose of transferring certain functions.

Mr. DISNEY. Let me come to that a little later.

Mr. STEFAN. We are endeavoring here to transfer the oil industry over to Secretary Ickes, because Secretary Ickes favors an increase in the price of oil. We people who consume oil, our people out in the Middle West who want more gasoline, desire me to tell them how they are going to get more gasoline if we pass this legislation.

Mr. DISNEY. I will show you that in a minute. Here is where you get more gasoline. Take a look at this chart.

Here are crude oil prices compared with oil-well drilling activities in the United States. In 1920 and 1921 we drilled 32,000 wells. See how it runs? The red line is the price. Here is the drilling of oil wells. Here is the drilling of dry holes. When you have a good price you get oil wells drilled. That is the answer. When there are more oil wells drilled you get more oil. Lately it has been more difficult to get oil, it is scarcer, and it takes more drilling than ever. That ought to be a complete answer. When oil was $3.50 a barrel, or nearly $3.50 a barrel, this country drilled 32,000 wells in one year.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. As I understand it, this low price is affecting the oil business in another way very materially. I refer to these subwells, these stripper wells. By killing your stripper wells you lose oil in that way.

Mr. DISNEY. Yes, and understand when an oil well is pulled it is gone. Water overtakes it; it is through. We lose a lot of stripper wells every year anyway. When the price of oil is low, the number of wells is less, 15,000 wells in 1 year back in 1931 and 1932 when the price was so low. See the range here? It follows the price just like the production of cotton, beans, peanuts, hogs, and cattle. You produce more when you have a price and you quit producing when you do not have a price. I have heard it said by the coalmen they are going to stop the running of coal mines because they cannot produce unless they get a price raise.

These charts illustrate it better than words I can use. Some may say, "What about these reserves?" I have heard it said there are 20,000,000,000 barrels of known reserves, and there are. But can you imagine getting that oil out as if it were a flowing pool of oil? It is not a pool of oil by any manner of means. Oil sands that produce oil in the deeper wells are nearly as hard as the concrete paving you drive over. And they will not give up all of their producible oil in less than from 50 to 75 years. Here is one of the softer sands.

It is asked, "Why does not Texas open up her wells and turn them loose?" They have done that, we hear recently, under the exigencies of war, and they are going to ruin all the wells that way. East Texas has produced several billions of barrels. No less an authority than Col. Ernest Thompson, the best-posted man on conservation in the United States, tells me that east Texas, with all its billions of barrels, probably will produce, if improper methods are continued, only a third as much as it should. If they turn these wells loose and let them go, they lose gas pressure, they lose water pressure. Gas pressure and water pressure force the oils out of these sands and into the hole that is drilled. The pressure down there thousands of feet below the earth is tremendous, and it forces the oil out.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from South Carolina.

Mr. HARE. I should like to ask the gentleman two questions. First, in view of his very illuminating statement, we should like to know whether or not the total oil production is increasing or decreasing annually.

Mr. DISNEY. That brings out one thing that you ought to understand right off the bat. Fifty percent of our production comes substantially from new wells. Wells take a nose dive. They may come in at a thousand barrels and go down to 10 or 15 or 50 or maybe 2 or 3 barrels in a short time. Keep in mind that half of the oil consumed comes from new or substantially new wells.

Mr. HARE. The next question is this. We have passed a law providing for stabilizing prices.

Mr. DISNEY. Yes.

Mr. HARE. I am wondering whether or not an action of Congress singling out one industry would interfere with that law, and whether we would not be called upon then to increase the price of other commodities, such as consumer goods, raw cotton, and so forth.

Mr. DISNEY. I do not know, but those who are at the bottom of the barrel are entitled to complain, and they are entitled to ask to be brought up some place along with the rest of the people, especially when an important international and national issue is involved, where the economy of the country is involved, and where our national defense is at stake.

Let me answer further. Judge Vinson denied this 35-cent raise. He cites the President's directive:

> No further price increases are to be sanctioned unless imperatively required by law.

Then he cites again an Executive order:

> No further increases in ceiling prices except to the minimum percent required by law.

As I construe Judge Vinson's decision he practically put it back in Congress' face to "require by law."

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman is a distinguished lawyer.

Mr. DISNEY. Thank you.

Mr. CRAWFORD. I have great confidence in the gentleman's ability. I wish to submit this question. Has the gentleman from Oklahoma seen anything in any law which this Congress has passed during the past 5 years having to do with the stability of prices or holding the line or otherwise which carries the intent on the part of this Congress that a price be fixed and held at a line which prevents the production of foodstuffs, oil, or whatever the subject may be?

Mr. DISNEY. I have not talked with a Congressman or Senator who ever thought that the Price Control Act required the Price Administrator to require people to produce at a loss. I do not think it was ever the intent of Congress that that should be the case.

Mr. CRAWFORD. Is it not a fact that the law provides that where it is necessary to modify prices in order to get production the President is directed to do so?

Mr. DISNEY. When Judge Vinson's decision said what it did—and it was practically an invitation to Congress to require it by law—then I came to the conclusion that this legislation ought to be pushed.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not true that the low price of oil is driving out of business the independent oil operators?

Mr. DISNEY. Yes, certainly.

Mr. O'CONNOR. Is it not also true that the independent oil operators are the ones who have brought in the new wells to the extent of 78 percent of known production in the past?

Mr. DISNEY. Seventy-five or eighty percent of the new wells have been discovered by the independents. The independent has nobody to sell to except the majors. He cannot sell to an insurance company or a bank. They do not want to buy. He has to sell to the major oil companies. When they are confronted with these conditions, with labor costs going up and the price frozen, what is there for a discouraged man to do but to sell out? What good are the experienced, independent oil operators, the group that drill 75 percent of the wildcats, to the Nation when they have sold out to the majors? One of these days, if this nonsensical condition continues, you are going to have a monopoly problem on your hands that you will not know what to do with. Let us be sensible and reasonable about it. Let us not hold on to the idea that because there was a Teapot Dome once the oil group wants everything.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Texas.

Mr. RUSSELL. I call the attention of the gentleman to this. Did not Judge Vinson by his denial admit the inequities in the price of oil, but did he not want to take care of the matter by means of a subsidy?

Mr. DISNEY. Yes. Do you know what would happen if we had a subsidy on oil? People would be going out and drilling for subsidies, they would not be drilling for oil. It is nonsense, it is almost an insult to the oil business, to talk about subsidies.

Mr. Leon Henderson, in a way all his own, told me one day, "Give me $250,000,000 and I will go out and drill the wells and do the job." I said, "I can get you a job for $100,000,000 a year, Leon, if you do that." He said, "What?" I said, "Hundreds, even thousands of executives in the oil industry are trying to do that very thing. If you can do that, they will fire all those men and hire you."

Even Mr. Leon Henderson used this language:

> At the time the defense program was launched the petroleum industry was depressed. Production of crude oil in Illinois had been unrestricted and the excess supply had resulted in a weakened price structure throughout the midcontinent area.

These boys down in O. P. A. talk nice and accept the facts, but put a distorted and unreasonable view upon them, in my judgment.

> Under the influence of the defense program, payment for motor fuel and other petroleum products increased at a rapid rate and prices began to rise.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. WORLEY. I understand the hold-the-line order was passed for the benefit of everybody alike; is that correct?

Mr. DISNEY. Yes; but I must reiterate we are trying to get up the line. We will help hold it when we get there.

Mr. WORLEY. I simply want to bring out a few points. The figures which I am about to read which were submitted to me by an independent operator in the Texas Panhandle, indicate the disparity between the way some things have risen while the cost of oil has remained in status quo. In 1941 the hourly wage of a rotary driller in the Texas Panhandle field was $1.12½ an hour. As of September 28, 1943, the hourly wage of a rotary driller was from $1.58 to $1.82. A derrick man in 1941 was getting 87 cents an hour. Today he is getting from $1.10 to $1.20 an hour. A fireman and engineman in 1941 was getting 96 cents an hour. Today he is getting from $1.05 to $1.21 an hour. The question is certainly not whether or not he is entitled to that wage in the light of all rising costs of living, but how far the independent operator can continue to produce oil at a loss if the hold-the-line order was passed for the benefit of everybody alike, and certainly the fellows who are going to have to produce this oil for war purposes are entitled to more consideration than they are apparently receiving at the present time.

Mr. DISNEY. They are entitled to stay alive. Conditions existing at the present time do not permit them to stay alive. Along the same line mentioned by the distinguished gentleman from Texas, take a look at this chart entitled "Expenditures for Exploration in the United States per Barrel of New Reserves Discovered." From 1934 to 1936 the average cost per barrel of discovering oil was 12 to 15 cents, according to this official chart. This is an official document prepared by the experts that the President himself appointed to furnish this information to the country. In 1942 it was up to nearly 65 cents per barrel for discovering oil. That is the rise in the cost It is an absurd situation.

Now, is anybody scared about the big companies making some money? Well, if they do make some money, what are they going to do with it? They are going to pay it in to Secretary Henry Morgenthau, of course, in the main. The excess-profits tax eats up 80 to 90 percent. What are they going to do with it if they get the money? Business is business. Some little hotels make more money net than big hotels. Some big hotels make more money net than little hotels or than the average. Some big grocers make more money on the average net. Yet some little grocery man may make some money. Let us just imagine you have a fine bottomland farm especially adapted to raising corn, and I have a hillside farm. You can raise two or three times as much corn on your bottom farm as I can on my hillside farm. Have we got to that stage in America that we have got to give me more of a price and give you less of a price because you have a good farm and can raise more corn? Look what a Pandora's box we are going to drift into when we talk about subsidies for the oil business, no matter how these things may be for other matters. Business is business clear on through. And when we start fixing one price for one producer of the same thing and another price for another producer, then we are putting our hands into something that is going to burn.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. O'CONNOR. Is it not true that the recovery from a barrel of crude oil by the refineries and these companies that are engaged not only in production but in refining and in distribution is about $8 per barrel, and they buy this crude oil for about $1.10 a barrel? In other words, the relation of the price of gasoline to a barrel of crude oil is on about the same basis as the relation of the price of a loaf of bread to a bushel of wheat?

Mr. DISNEY. I think that is right.

Now, I want to discuss with you the matter of wildcat wells and refer to this chart. At the expense of boring you by reading I want to read almost verbatim what experts in the Petroleum Administration for War, after going into this matter thoroughly with the best minds that could be found, what they say about the matter of discovery wells. If this does not startle you, then you cannot be scared by a ghost. In this first panel, in the 4 years ended December—and mark these words—in the 4 years ended December 1938 new reserve discoveries averaged 2,041,000,000 barrels annually. In the 4 years ended December 31, 1942, new reserve discoveries averaged 941,000,000 annually. That is down not quite a third, but more than half; 2,041,000,000 barrels in that first 4 years and only 941,000,000, or a drop of 1,100,000,000 barrels annually. In the year ended December 31, 1942, new reserve discoveries totaled only 507,000,000 barrels. That is only 507,000,000 barrels of reserves that are in these difficult sands to operate. The 4 years ended December 1938, new reserve discoveries exceeded the annual production by 894,000,000 barrels annually. That is, the reserves exceeded the average annual production.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DISNEY. Mr. Chairman, I yield myself 10 more minutes.

The 4 years ended December 31, 1942, the average annual production exceeded new reserves by 410,000,000 barrels annually. In other words, we have got to drill nearly twice or nearly three times as many wildcat wells now to get the same amount of oil.

On this second panel, 90 new fields were found in 1934. Three hundred and eight new fields were found in 1942. It looks like we are doing pretty well. There were 90 fields in 1934 and 308 fields in 1942. In 1934 discoveries for these fields average 24,750,000 barrels. In 1942 discovery for these new fields averaged only 1,650,000 barrels. You are going to have to drill more and more now for less and less oil.

Now to go to the third panel. In 1937, 2,224 wildcat wells were drilled. In 1942 it went up and 3,219 wildcat wells were drilled. That is nearly 1,000 more in 1942 than in 1937.

In 1937 the average new reserves discovered for wildcats, total 934,000 barrels. In 1942 the average new reserves discovered for wildcat wells drilled, totaled 158,000 barrels. More and more are drilled for less and less oil. That means we are going to have more drilling in order to keep up with consumption.

Mr. RANDOLPH. Will the gentleman yield, Mr. Chairman?

Mr. DISNEY. I yield.

Mr. RANDOLPH. Under date of November 15, 1943, I received a letter from Harold L. Ickes, Petroleum Administrator for War, in answer to a communication which I had addressed to the Secretary on October 25 of this year. I had attempted to take certain of the statements which were in opposition to a price increase for crude oil and to ask the Administrator to make certain statements which I believed might clear the situation. In connection with reserves, I note that he says:

> At the end of 1944 we shall have a deficiency in crude oil supply of approximately 300,000 barrels a day. We shall be forced to rely upon importations from foreign sources if we are to meet the projected demands for petroleum products at this time.

The gentleman believes that figure of 300,000 barrels is not high?

Mr. DISNEY. I agree.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. DONDERO. I think the gentleman should point out, you have been dealing with barrels all the way through in your discussion; you should point out to the House and the country the price per gallon might mean 3 cents in the present price.

Mr. DISNEY. Yes; an average of $1.17; 42 gallons to the barrel.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. MILLER of Connecticut. I expect to vote for the gentleman's bill, but I am not happy about it for this reason: I wish we could pass general legislation that would apply to everything where the producer is not getting the cost of production. I thought we did it.

Mr. DISNEY. So did I.

Mr. MILLER of Connecticut. What are we going to tell our milk producers when they say, "You voted to give the oil producers a necessary price for their product, but you did not do anything for us"?

Mr. DISNEY. My answer to my coal people and my dairymen, who are just as mad as yours, is that for the war effort we must have more wells drilled, and the wells will not be drilled except for a reasonable price, and the price of oil was so far below the general commodity index that they could not possibly have a complaint.

Mr. MILLER of Connecticut. Could not the gentleman suggest language that would cover all of these? Milk is certainly an essential commodity.

Mr. DISNEY. If we get into that, we rewrite the whole price-control bill.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. HARRIS of Arkansas. Was it not estimated by the Petroleum Administrator for War that it was desirable to have approximately 4,500 wildcat wells drilled in 1943?

Mr. DISNEY. Yes.

Mr. HARRIS of Arkansas. And as a matter of fact only about 3,400 wildcat wells were drilled?

Mr. DISNEY. Yes. We will not nearly reach the goal or get the oil that we need.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. There has been a total increase in the price of crude oil per barrel from 1938 to the present time of how much?

Mr. DISNEY. I do not know that I have those figures.

Mr. BRADLEY of Pennsylvania. Has the gentleman any idea?

Mr. DISNEY. It went up about 15 cents between 1938 and July 1, 1941. I think that is approximately correct.

Mr. BRADLEY of Pennsylvania. I would like to direct the attention of the gentleman to the fact that during this time the price of fuel oil for domestic consumption has gone from 6 cents to 9 cents a gallon, an increase of 50 percent. I paid 6 cents a gallon in 1938 for oil and I am paying 9 cents a gallon today, on an increase of 15 percent in the price of crude oil per barrel.

Mr. HARRIS of Arkansas. Will the gentleman yield to answer the gentleman from Pennsylvania?

Mr. DISNEY. I yield.

Mr. HARRIS of Arkansas. In 1938 the average price of crude oil was $1.13. At the present time the average price of crude oil is $1.18.

Mr. BRADLEY of Pennsylvania. And a 3-cent-per-gallon increase to the consumer. You had better consider that when you think of this increase.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. MANSFIELD of Montana. Like the gentleman from Connecticut I, too, am worried about the possibilities emanating from this and its effect on other groups suffering like hardships. But, to get back to the question under discussion, is it not true that the price on crude oil was frozen as of October 1941, before we entered the war?

Mr. DISNEY. In fact, on July 1, 1941, at the request of Price Administrator Henderson.

Mr. MANSFIELD of Montana. Prior to the war, most of the oil in this country was produced by independents?

Mr. DISNEY. Not most of it produced. A majority of the discoveries were by independents.

Mr. MANSFIELD of Montana. A majority of the discoveries were by independents. All right. If my memory serves me correctly the major oil companies produced 48 percent of the Nation's supply before the war and the independents produced 52 percent. Since that time the independents have had a hard time because of rising labor costs, shortage of well drillers and other field workers and a lack of the right kinds of machinery. These independents are, in general, the people who take the chances and bring in the wells in the new and often unexplored areas.

Mr. DISNEY. Yes.

Mr. MANSFIELD of Montana. The result is the independents are going out of business, because recent figures show that at the present time the majors control 78 percent of the total oil supply and the independents control 22 percent. What I am primarily interested in is the welfare and protection of the "shoestring" operator and a continued flow of crude for the conduct of the war. I fear that if something is not done that the independent will be squeezed to the wall and the net result will be the creation of a monopoly which would take the competition out of the oil business.

Mr. DISNEY. I think so.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. FORD. We are really discussing the transfer of this from one department to the other, are we not?

Mr. DISNEY. No.

Mr. FORD. The other is collateral. I realize that.

Mr. DISNEY. I am going to offer an amendment on the question of parity, the first part of which goes to the question of parity and the second part of which fixes 35 cents as the least raise they can make.

Mr. FORD. One question further. You admit that if we raise the price of oil, the milk producers will want to be raised and other men will want to be raised, and everybody will want to be raised. What we are doing by the Congress stepping in and making this change in legislating on prices is simply opening the door to a wild orgy of price increases all along the line.

Mr. DISNEY. I doubt if any of those amendments would be germane to this bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. CRAWFORD. I want to ask the gentleman this question in reply to the gentleman from Pennsylvania [Mr. BRADLEY]: If I have understood this presentation, it has been strictly in the interest of the consumer of petroleum products, in that you are seeking an economic adjustment which will continue the present production and bring forth additional production?

Mr. DISNEY. Yes, sir.

Mr. CRAWFORD. Has that not been your presentation this morning?

Mr. DISNEY. I intended it to be, sir.

Mr. CRAWFORD. Can you tell me how you can protect me as a consumer unless you get production?

Mr. DISNEY. I think that answers itself.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. O'CONNOR. With reference to the question asked by the gentleman from Pennsylvania [Mr. BRADLEY], as a matter of fact, if we take the over-all picture of the price of crude oil, it has not been raised to any extent at all, since the date mentioned by the gentleman from Pennsylvania.

Mr. DISNEY. That is true.

Mr. O'CONNOR. In my own State crude oil today is selling for $1.10 per barrel, just about the same price it was selling for in 1938.

Mr. DISNEY. Yes.

Mr. O'CONNOR. Here is the point: If encouragement by way of price is not given to the independent producer, he will go out of business and then you will have an oil monopoly that will raise the price of my friend's oil, not from 6 cents to 9 cents, but up to 10 or 15 cents per gallon. With the independent out of business the country will be at the mercy of the oil monopoly.

Mr. DISNEY. Candor requires me to say this to you—and I should have said it at the outset—our production has been about 3,900,000 barrels daily in round figures up until just recently and our consumption around 4,400,000 barrels. That has been the general way it has been running until the last 60 or 90 days. Above-ground stocks are about 239,000,000 barrels. Both have been depleted just as far as they can go. They have to have these pipe lines full to operate the refineries.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. DISNEY. Mr. Chairman, I yield myself 5 additional minutes.

It takes about that amount to operate the refining end, 239,000,000 barrels. In the last 60 or 90 days we have been bringing in production to the extent of 4,400,000 barrels per day. They have turned things loose and they are destroying wells by doing that. It is in violation of all the conservation policies to do that; it is temporary and we are taking a final loss in doing it, but production has been upped under the very stress of circumstances.

Mr. MAHON. Mr. Chairman, will the gentleman state how much additional oil we are consuming now as compared to pre-war years?

Mr. DISNEY. The rate is about as I have been indicating.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. DISNEY. I ought not to yield; I have taken nearly an hour and I did not want to do that, but I yield.

Mr. DONDERO. Can the gentleman tell the House how many wells are going out of existence annually?

Mr. DISNEY. We ordinarily figure we lose from 3,000 to 5,000 stripper wells per year. Little wells get down to nothing and you cannot profitably operate them, but you see when the price got so low we lost 15,000.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. REED of New York. I understand the number now is about 10,000.

Mr. DISNEY. Yes.

Mr. Chairman, in this concluding minute I should like to quote from Wirt Franklin, one of the best-posted men I have ever known in the oil business, a man who takes a statesman's view of this and puts it on a higher basis than dollars and cents. He says:

> Our only safety as a Nation depends upon our having developed at all times within the continental limits of the United States a supply of crude oil adequate for peace and war. If we depended upon sources of foreign oil and should get in a war with a first-rate power we have no guarantee that we would not lose control of our ocean lanes making it impossible to transport to this country the foreign oil. In such case we would be helpless. On the other hand, if we continue to keep up continuous discovery and development we will at all times have sufficient oil to take care of our needs both for peace and for war.

And this speech, Mr. Chairman, was made in June 1929.

It seems to me that states the case, and subsequent facts have proven it. The issue is bigger than dollars and cents and this legislation ought to pass and be on its way.

The CHAIRMAN. The gentleman from Oklahoma has consumed 59 minutes.

Mr. WRIGHT. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman, I dislike to disagree with the gentleman from Oklahoma [Mr. DISNEY] who preceded me, but I want to complain very bitterly about the procedure by which this matter is brought before the House. I realize that an important part of the machinery of the House is the petition to discharge a committee. I think that in some cases where the committee is sitting upon a bill which the House wishes considered, it is one of the guaranties of democratic procedure in the House; but I wish to assure the committee that at the present time the Committee on Banking and Currency has had no opportunity to consider this matter, and no disposition to delay it. The bill introduced by the gentleman from Oklahoma [Mr. DISNEY] was filed sometime last June. I will leave it to any member of the Banking and Currency Committee, whether on the minority or the majority side, if in the meantime the Committee on Banking and Currency has not been busy practically every morning and sometimes in the afternoon. We have had before us in that time the very controversial matter of consumer subsidies, a matter which many feel to be one of the most important domestic issues before the House. We have considered also other bills, including the bill to extend the F. H. A.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. HARE. Is the gentleman in position to assure the House that if this bill is not passed his committee will consider it, hold hearings, and make a report in due course?

Mr. WRIGHT. I certainly am, and the gentleman from Kentucky [Mr. SPENCE], who is acting chairman of the committee, made that statement this morning, that he would be glad to hold hearings on this bill beginning next Friday to continue constantly until the matter is concluded and reported out.

What are we doing here today? We are coming before the Committee of the Whole House and asking the members to consider a very important and far-reaching bill which the Banking and Currency Committee has never had an opportunity to consider, upon which no testimony has been taken, and no study made of its relation to our over-all economy. If we adopt this procedure generally we may as well abolish the committee system; we may as well bring every matter before the House to be considered without any study, without the benefit of any testimony; and we shall as a result pass legislation which is inexpert, disorderly, and uninformed.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield at that point?

Mr. WRIGHT. In just a moment; I should like to make my statement; then I shall be happy to yield to my friend.

I have always been taught by the study and reading I have done about the history of our institutions and the history of Congress that the committee system is the system which has made Congress great, because committees have an opportunity of considering in great detail important and complex questions and of listening to expert testimony on both sides of these questions before reporting a bill for the action of the House.

Then when the legislation is reported the committee members speak as experts before the House and the House customarily follows the position that they have taken.

If we follow the procedure we are following today we might as well abolish that system entirely. It is not only the people in the oil business who feel they are entitled to a raise in price but there are others. We know, for instance, that the coal men feel they should have a higher price for coal and they may be able to make out a pretty good case. I hear from Pittsburgh that the steel industry wants a higher price for steel. I hear from my good friend from Connecticut [Mr. MILLER], who claims, and in my opinion with a certain amount of justice, that the price of milk at the present time is inadequate to give a fair return to the milk producer.

What are we going to do? Are we going to pass piecemeal in the House on every bit of legislation which seeks to fix prices and, in addition to that, Mr. Chairman, are we going to do that without the benefit of any testimony or hearings? That is what we are asked to do today. Quite frankly, I do not know much about the oil business. I wish I did. You gentlemen know that we are called upon to consider in this House such vast and complex matters that it is impossible for every Member of the House to inform himself upon every bit of business presented to the House.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, that is the reason for the committee system.

Mr. LEWIS. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. LEWIS. Will the gentleman tell the Committee exactly when this bill came before his committee?

Mr. WRIGHT. It was before the committee last June. We have had constant hearings in the interim except for the time we were in recess during the summer. We have had constant and almost daily hearings.

Mr. LEWIS. On this bill?

Mr. WRIGHT. No, on other matters. We had the Commodity Credit Corporation bill which was before the committee and even as important as this bill is I do not think the gentleman would maintain that the Commodity Credit Corporation matter is not equally important. It had precedence as it was in the committee prior to this bill.

Mr. LEWIS. Will the gentleman say whether he thinks it is necessary for this country to maintain its oil supply inasmuch as we are using vast quantities in the war effort? Is that not a necessity?

Mr. WRIGHT. In answer to the gentleman, may I say that of course it is necessary, but in order to pass legislation upon such an important matter which not only affects the oil industry but also affects the price index of every commodity in the country we should have the benefit of testimony on both sides so that we can act in an informed manner and not act in a reckless way such as we are doing today.

Mr. PLOESER. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Missouri.

Mr. PLOESER. For the gentleman's information, may I say that the Naval Affairs Committee appointed a subcommittee which held hearings on this subject and made certain recommendations. I participated in hearings held by the Small Business Committee of this House. We had hearings and we made recommendations and those hearings are available to the Members of this House.

Mr. WRIGHT. Why does not the Naval Affairs Committee report a bill out of the committee having to do with the Navy situation as to oil? They could report a bill out of the committee. Here we are asked to pass on a bill that not only has to do with the Navy but with oil generally. I want to make one further point. Any one realizes that we are engaged in a tremendous task today, we are trying to hold our economy together because we appreciate that we have at stake in the war all we own and hold dear. We are operating under an economy of scarcity because we do not have enough supplies and this applies to oil as well as other commodities. Once you disturb your price structure by referring the determination of oil prices to a bureau entirely unrelated to the bureau which has been asked by this Congress to fix prices generally, you are in danger of upsetting the entire stabilization program. You cannot stop in fixing one price. You gentlemen know you are not. You will affect all prices if you meddle with this basic price. It is a matter of history in this country that one of the worst procedures in Congress in the past has been the piecemeal fixing of tariffs. We have had log-rolling, one community with another, one group or one industry interested in one commodity, another industry and another group interested in another commodity; consequently each performed the old political trick of back-scratching. There was jockeying back and forth, there was no attention paid to the over-all economic interests of the country, merely a desire to improve the position of their own commodity. If you pass this bill today and attempt to pass legislatively upon the oil business you are going to be asked to do it with every other commodity that is produced in this country. I think you should realize the confusion we are going to face.

It is possible that a mistake has been made in oil regulation. Very many sincere people, including the gentleman from Oklahoma and my friend from Pennsylvania, believe that the oil industry, particularly the independent producers, is being stifled by the present prices. If that is the case, can we not in an orderly way bring the matter before a committee, can we not have a hearing, can we not tie this problem in with the rest of our price structure and let those agencies which have been appointed by the Government and authorized by this Congress to fix prices consider the matter instead of passing this bill today? Does any gentleman in this House feel that our late lamented colleague from Alabama, Mr. Steagall, and the present chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE], would unfairly sit by and prevent a bill from having hearings? This is not the type of bill that a petition to discharge a committee was meant to reach, this is not the type of committee that should be discharged. The Banking and Currency Committee is willing to consider all reasonable bills and to appoint a time for hearing them as soon as possible, take testimony upon them, dispose of the bills, and report them to the House. I suggest that is what we should do today.

The CHAIRMAN. The time of the gentleman has expired.

Under previous agreement, the gentleman from Kansas [Mr. REES] is recognized for 30 minutes.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I am very much interested in the remarks of the gentleman from Pennsylvania [Mr. WRIGHT]. As a matter of fact, I do not consider it is the slightest reflection upon the Banking and Currency Committee to bring this matter in by petition.

We are facing an extraordinary situation. We all know that that committee has been very busy with the Commodity Credit Corporation bill and undoubtedly it has not had the time to consider this very vital legislation. As I said once before, time is of the essence in this whole situation. This great war is being fought in Europe, thousands of men are falling by the hour on the various battle fronts in a desperate attempt to gain control of certain oil areas.

Why? Because oil is vital to their mechanized warfare. We do not know how long this war is going to last. We know it is absolutely essential almost to the life of this Nation, and certainly to the lives of hundreds of our boys, that there be no cessation in the flow of oil to our submarines, to our Navy, the largest in the world and growing larger every day, to our great fleet of airplanes, flying over the Axis countries, to our tanks, to our motorcycle corps and to others. We are simply eating up our oil reserves at a tremendous rate.

I am speaking particularly today for the stripper wells in Pennsylvania and in western New York. I think I have said before on the floor of this House that the lubricating oil that comes from the crude oil of western New York and of Pennsylvania is superior to any other lubricating oil in all the world. Almost since the day the first plane took the air, they have come into my district to get the oil to lubricate the planes, and they are doing it today. They are also doing it in the Pennsylvania field.

These stripper wells are going out of existence day by day and the machinery is being junked, it is being sold. We cannot afford that. We cannot afford to be losing 10,000 wells a year because of the low price of crude oil. Oil of the type that is being produced in Pennsylvania and western New York is almost pure gold, and far more important than gold at this stage of the war.

According to the testimony that has been offered by experts, there are only about 14 years of oil reserves in the United States of America. We do not know whether this war will last 1 year, 2 years, or 10 years. It is of the utmost importance that we have a price on crude oil that will enable the people to go out and risk their capital in trying to find new pools of oil in every part of the United States of America.

I know that this Congress realizes the seriousness of this situation, and that when the time comes to vote on this bill you will think of what it means to 7,000,000 men whose lives, as well as the ultimate result of this war, depends upon the mechanized equipment, which can only be operated by oil and by gas. So I urge you who are interested in the outcome of this war to give your support to this bill, regardless of the fact that it has been brought in here under a procedure which in ordinary times none of us would approve.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman from New York, as always, is making a constructive and realistic contribution to this debate. There is one point the gentleman has omitted. What about the hundreds of thousands of workmen in this country who must get to the factories in their automobiles to produce the machinery and equipment for war?

Mr. REED of New York. I thank the gentleman for the contribution. They must also get there to operate the machinery upon which they work to produce the goods for this war.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. BREHM. In other words, the critical situation which exists in the oil industry justifies the drastic action taken in bringing forth the discharge petition?

Mr. REED of New York. Certainly. It is no reflection on the committee.

GENERAL

Crude oil requirements for United States refineries for military and essential civilian use are at record levels and are increasing steadily under the further impact of the war. Production of domestic crude oil has been substantially exceeding discoveries of new crude oil reserves since 1938, and, as a result, United States crude oil productive capacity has been declining steadily and is no longer sufficient to meet future minimum requirements of United States refineries. The importation of foreign crude oil is not a certain answer to our inadequate domestic crude supply because there are definite limitations on productive capacity, particularly in the Caribbean area, as well as limitations on refinery and transportation facilities in the Middle East. The crude oil supply program for the Western Hemisphere provides for full utilization of all productive capacity in the United States and the Caribbean area, but this will still leave a shortage of the proper types of crude oil. In order to reverse the declining trend in new reserve discoveries and thereby provide a safe margin of domestic productive capacity, it is necessary that the economic health of the producing branch of the domestic petroleum industry be improved through the 35 cents per barrel increase in crude oil price ceilings recommended by P. A. W. Higher crude oil prices are necessary because the costs of finding a barrel of new crude oil reserves have approximately quadrupled since the middle 1930's while production costs have also gone up substantially. It is necessary that domestic producers be given the financial means, through a price increase, for expanding exploratory operations and increasing secondary recovery operations and rehabilitation work and preventing premature abandonment of stripper wells, in order that a safe margin of domestic crude oil productive capacity may be provided for the war program.

ANNUAL DISCOVERIES NEW CRUDE OIL RESERVES

(NOTE.—Revisions and extensions are credited back to year of discovery)

The chief significance of this graph is the sharp decline in the discovery of new reserves that has taken place since 1938.

First panel—Total discoveries

The declining trend in new reserve discoveries indicated in this panel must be reversed.

(1) Four years ended December 31, 1938, new reserve discoveries averaged 2,041,000,000 barrels annually.

(2) Four years ended December 31, 1942, new reserve discoveries averaged 941,000,000 barrels annually, or a drop of 1,100,000,000 barrels annually.

(3) In year ended December 31, 1942, new reserve discoveries totaled only 507,000,000 barrels.

(4) Four years ended December 31, 1938, new reserve discoveries exceeded average annual production by 894,000,000 barrels annually.

(5) Four years ended December 31, 1942, average annual production exceeded new reserve discoveries by 410,000,000 barrels annually.

Second panel—Reserves per new field discovered

It is necessary to discover more and more new fields to reverse the declining trend in new reserve discoveries.

(1) Ninety new fields were found in 1934.

(2) Three hundred and eight new fields were found in 1942.

(3) In 1934, discoveries for each new field averaged 24,750,000 barrels.

(4) In 1942, discoveries for each new field averaged only 1,650,000 barrels.

(5) The quality of new fields discovered has been declining steadily.

Third panel—Reserve per wildcat well drilled

It is estimated that at least 5,000 wildcat wells should be drilled annually.

(1) In 1937, 2,224 wildcat wells were drilled.

(2) In 1942, 3,219 wildcat wells were drilled.

(3) In 1937, average new reserves discovered per wildcat well drilled totaled 934,000 barrels.

(4) In 1942, average new reserves discovered per wildcat well drilled totaled 158,000 barrels.

(5) It is necessary to drill more and more wildcat wells in order to reverse present decline in new reserve discoveries.

Source of reserves data: Reserves Division, P. A. W.

CRUDE-OIL PRICES COMPARED WITH OIL-WELL-DRILLING ACTIVITY

An increase in crude-oil prices is necessary to increase the rate of drilling activity, especially of exploratory wells:

(1) The number of producing oil wells drilled increases when crude prices go up and decreases when crude prices go down.

(2) The drilling of dry holes, which is another rough gage of exploratory activity, increases when prices go up and decreases when crude prices go down.

(3) Past peaks in drilling activity have coincided with peaks in crude-oil prices.

(4) Sufficient materials and manpower will be available to permit increased prices to perform their historic function of expanding drilling activity.

Source of data: Bureau of Mines.

PRICE OF CRUDE OIL VERSUS CHANGE IN NUMBER OF OIL WELLS IN OPERATION

Recommended price advance will cause many presently shut-in wells to be placed back in production and will retard the rate at which other wells are abandoned:

(1) Declines in crude-oil prices cause wells to be taken out of production.

(2) Increases in crude-oil prices cause wells to be put back into production.

(3) Sufficient materials and manpower will be available to permit operators to put wells back into operation at higher crude-oil prices.

Source of data: Bureau of Mines, 1926–42; Geological Survey and Department of Commerce, 1918–25, year-end data.

CRUDE OIL PRICE INDEX COMPARED TO INDEX OF RAW MATERIAL PRICES

If crude oil prices had shown the same percentage increase as all raw material prices between June 1941 and September 1942, crude oil prices would have increased to about $1.49 per barrel by September 1943. This is without regard to whether crude oil prices were frozen in June 1941 in the proper relationship to the general price structure.

(1) In June 1941, when crude oil prices were unofficially frozen, the crude oil price index was reported at 58.9.

(2) In June 1941, the index of all raw material prices was reported at 83.6.

(3) In September 1943, the index of raw material prices was reported at 112.4.

(4) In September 1943, the index of crude oil prices was still reported at 58.9.

(5) All raw material prices increased 35 percent from June 1941 to September 1943, while crude oil prices remained stationary.

Source of data: This graph is based on Bureau of Labor Statistics wholesale price indexes—1926 equals 100. Crude price used in this index is Mid-Continent 33–33.9° gravity.

EXPENDITURES FOR EXPLORATION PER BARREL OF RESERVES DISCOVERED

The oil operator is in the position of a merchant selling a low-cost item off his shelves at a profit, but forced to replace it with a high-cost item on which he will not be able to show a profit at present frozen price levels. Although he is presently showing profits, he is doing so at the cost of liquidating his assets.

(1) Finding costs have increased sharply since the middle thirties largely because of the decline in reserve discoveries per wildcat well drilled, but also because of the increased cost of geophysical and geological work and the increased cost of drilling.

(2) The cost of replacing the crude oil currently being produced has increased sharply. A large part of present production is coming from fields discovered in a period when finding costs averaged 12 to 15 cents per barrel. If producers cannot afford to replace the crude oil currently being produced, the net balance of crude oil reserves will continue to decline.

(3) The present frozen crude oil price structure was geared to a finding cost figure of around 12 to 15 cents per barrel. It must now be geared to the higher finding cost figure of 50 to 60 cents per barrel. A price increase is necessary for this purpose.

Source of data: Reserves Division, P. A. W.

WHO WILL BEAR PROPOSED PRICE INCREASE

The amount of the price increase that will be borne by the public is relatively small for any single class of consumer.

(1) P. A. W. estimates total annual cost of recommended crude price advance, based on third quarter 1943 consumption, at about $500,000,000.

(2) O. P. A. has estimated annual cost of price advance at $552,000,000.

(3) In its estimate of the cost of crude price advance, O. P. A. has failed to consider that a portion of the crude run by the refiner is used by him for refinery fuel, either in the form of crude oil, still gases, or residual fuel oil. The cost of crude or products so used by the refiner will have to be absorbed in part by him and will not be passed along to the consumer.

(4) This accounts for the difference between the P. A. W. and O. P. A. estimates of the cost of the price advance.

(5) Based on consumption in the third quarter of 1942, 32 percent of the price advance would have been borne by the Federal Government through military purchases.

(6) As military purchases expand still further, an even larger proportion of the total cost will be borne by the Federal Government.

(7) Only 15 percent of the price advance will be borne by passenger car operators.

(8) Utilities will bear only slightly more than 2 percent of cost of price increase.

Source of data: Production Division, P. A. W.

NOTE.—The cost per year of the recommended crude price advance is equal to less than 2 days' cost of the war. Total war expenditure averaged $280,000,000 daily in the 5 months through September 1943, or $560,000,000 for a 2-day period.

EFFECT OF PROPOSED PRICE INCREASE ON REPRESENTATIVE CONSUMERS

It is not anticipated by P. A. W. that there will be any resistance to these moderate price increases, and it is expected by P. A. W. that representative consumers will gladly pay slightly higher prices, especially when they know it is for the purpose of protecting and augmenting the petroleum supply for fighting the war, and for essential civilian purposes.

(1) The average passenger car operator will be required to pay only $2.97 a year additional for gasoline.

(2) The average home owner will be required to pay only $17 a year additional to heat his home with fuel oil.

(3) The average truck operator will be required to pay only $10.06 additional per year for his gasoline.

(4) The average operator of the farm tractor will be required to pay only $4.96 additional per year for his gasoline.

(5) The price increase will not be a burden to representative consumers.

(6) Increased costs resulting from price advance will be insignificant part of total operating expense for most classes of industrial consumers.

Source of data: Production and Marketing Division, P. A. W.

UNITED STATES CRUDE OIL PRODUCTION AND REQUIREMENTS

(1) Crude oil production has met requirements in the past. Until recently productive capacity has been in excess of crude requirements.

(2) Anticipated future demand for United States crude oil is projected at record levels.

(3) If there is no exploratory drilling, crude oil productive capacity will decline drastically.

(4) If wildcat drilling continues at recent rates, crude oil productive capacity will still decline substantially. Although it is likely that 3,400 wildcat wells will be drilled in 1943, there is no assurance that this rate of wildcat drilling will continue in subsequent years under existing economic conditions.

(5) Additional productive capacity will be added through rehabilitation and secondary recovery. Rehabilitation including reopening of some wells presently shut-in will account for about 50 percent of the increment in this segment, the balance will be due to increased secondary recovery operations.

(6) If 5,000 wildcat wells are drilled annually, the decline in productive capacity will be reversed and new productive capacity will build up to substantial proportions in the next several years. There is no certainty that a 35-cent per barrel increase will cause 5,000 wildcat wells to be drilled annually.

(7) If 5,000 wildcat wells were actually drilled each year as a result of the price increase and if the rehabilitation and secondary recovery results shown in the chart were achieved, domestic productive capacity would be sufficient to provide a substantial cushion against any failure on the part of the foreign program to be fully met. It would also provide a cushion of crude oil supply for the post-war period.

Source of data: Production Division, P. A. W.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, we approach a decisive step. It is one that we have hesitated to take. It is apparent now that our hesitancy, which came from our acquiescence in the administration's professed ability to manage the war economy, has lasted too long.

The Congress voted to the administration the most sweeping authority to coordinate all the phases of military, industrial and civilian effort. The administration asserted that in no other way except by a completely managed economy could the war be prosecuted to a victorious conclusion.

The Congress conferred, among other phases of authority, the power to regulate prices to the end that inflation might be avoided and excessive living costs prevented. But there was also implied in the price control act the direction to see that essential production should not be stifled through the operation of the act.

We are now considering today the oil situation. From the very beginning of price control there has been a determination on the part of the controllers to see that nothing was done to increase the productive capacity of the oil industry in the United States.

Price is the crux of the situation. No oil producer can pay out more than he takes in. No oil producer can go out and take the kind of chances needed to discover big new fields under the prices he is getting today—and has been getting ever since we entered the defense program which preceded our actual participation in the war. The producers cannot maintain even their present wells in efficient producing condition unless they have more money. They have demonstrated this by selling thousands of the small wells to the salvage dealer and abandoning them forever, and the oil lost.

This condition is nothing that has been discovered overnight. It was made known to the price control authorities long ago—two and a half years ago.

We need spend no more time in analyzing the reasons for our present and constantly growing shortage. The O. P. A. and those above it took an arbitrary stand on the price question at the outset, and they have maintained their stubborn resistance in the face of all facts and all logic. They offer no program for relief of the conditions. They have nothing in prospect except further reductions in the amount of petroleum products for the civilian users.

Theirs is the responsibility for present conditions. It will be partly our responsibility if we permit a continuance of the do-nothing policy.

The price increase was due 2½ years ago. Long before now it would have shown results. The productive capacity of the Nation's fields would be greater. That has been time wasted.

There is no excuse for letting this go on any longer. Of course, a price increase now will not get us more oil in a week or a month. There are no miracles in sight. It is going to take hard work and continuous effort to get the supply up to the point where the essential needs are met. It will take time to repair the damage that has been done.

But we must make a start, and the sooner we do it the sooner the results will appear. A price increase large enough in size will set the oil producers in motion again. They have been frozen along with their price.

More money will bring the drilling of many additional wildcats of the kind that we need. In the past 2 years they have been drilling for small results—staying close to the established fields—and thus trying to reduce their chances of total loss. Small fields are what they have found. They are going to have to go into wholly unexplored territory and seek the larger results.

They will get those greater results if enough of them go to work. There has never yet been a better method of finding these new fields than that of having a great many people looking for them. The country has plenty of prospects left. This theory that we had run out of territory to explore was invented by the O. P. A. as another excuse for refusing the price increase. It has no support from the men who really know oil.

Just last week one of the country's eminent geologists said that we have enough oil reserves in the United States, including those to be discovered, to last a century. The important point is that most of this has to be discovered and that it will take a great deal of drilling and many failures to do the finding. We know that the finding will not be done under the price that is now paid for crude oil.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania.

Mr. GAVIN. Mr. Chairman, the discoveries have yet to be made, but there are 20,000,000,000 barrels whose location is known. It takes money to get that out of the ground. The producers have to keep on coaxing and stimulating the wells to get them to maintain their yield. There are many known methods of doing this. Old wells can be cleaned out, shot with nitroglycerin, some of them treated with acid. Secondary recovery methods can be applied to old fields and the production greatly increased. These are all methods which have been used for years and they are of established value. They were never so badly needed as now. Little is being done to make available to the consumers and to the military program this 20,000,000,000 barrels at a rate faster than is possible under the present routine operating programs and nothing will be done under the present prices.

We have a choice to make here today. We can let this oil situation drift along and by this time next year, if they do not find a method of doing it sooner, the people of the Nation will have told all of us what they think of us. That is one way we can perform, one course we can follow; just do as the O. P. A. has done and do nothing about it.

The other course is plain and it will get some oil for the Nation. We can act here to end this policy begotten of some philosophies, inimical to the welfare of the people, and of the hold-the-line program.

The line has been held. It has been held against an increase in the oil-producing capacity of the Nation, while millions upon millions have been added to the national debt by such fantastic affairs as the Canol project.

Let us turn the domestic oil producers loose and let them get to work. They will find and produce the oil. They always have. The war did not put an end to their ability nor snuff out their knowledge. The oil resources of the Nation have not dried up. Never before in the history of the oil industry of the United States has the industry failed to meet all the demands that were made upon it. Its only failure was caused by the maladministration of an act of Congress.

It is our duty today to our men in the armed services and to those at home who are trying to keep the Nation going to give the price agencies their directions on how to meet this oil crisis. If we do not, then we must prepare ourselves for complete national demoralization.

In conclusion, I might add, a finer and more patriotic and more devoted group of Americans never lived than the oil producers. Even though they have been badly treated they did not lay down their tools; they have stayed on the job doing their best with the limited money available. Even though labor and materials have advanced several hundred percent, they continue to supply the oil at 1941 levels. The oil producer has turned in a magnificent record in this all-out war effort. They deserve the consideration and the heartiest commendations of the Members of Congress for the excellence of their performance.

Mr. RANDOLPH. Mr. Chairman, acting for the gentleman from Oklahoma, I yield 10 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, the bill pending before us would increase the present price of crude oil. In my judgment, such increase is necessary. Today in the midst of our supreme war effort our supply of vital oil is rapidly dwindling, yet few new fields are being explored and stripper wells are being abandoned before they have yielded their full potentialities of the fuel so essential to the success of our mechanized might on the battlefield and our security at home.

Why does this alarming situation exist? In large measure it must be attributed to the present low price of crude oil in the midst of rising costs of production and the upkeep of wells which make it so hazardous for the producers of our oil to risk new exploration or provide for the reworking of old wells. To meet this situation the hope of possible fair returns must be accorded those upon whom we must depend to take the chance of assuring our adequate supply and the proper utilization of the sources at our command.

Mr. Chairman, we are dealing today with no ordinary situation and no ordinary commodity. Without petroleum and its products our planes could not fly, our ships could not operate, and our tanks could not roll. Oil is a vital requirement also of our commercial life and our domestic comfort and welfare. And of oil there is only one crop. A scarcity of corn or wheat may be relieved by the next annual yield. Of oil there is one yield and one yield only.

In this war and in the peace to follow our national progress and our international relationships are very largely dependent upon our supply of oil. In war and in peace we need it imperatively to hold the line abroad and at home, and the legislation now proposed is an effort to get it up to the line in order that it may play its important and strengthening part. In the price indexes it occupies today a low and dangerous level in the plan of preservation of our present and future security.

Ah, but some will say, though we know it is highly important in this war and the subsequent peace, though we realize if another war should come we may a generation from now find ourselves deprived of it, still it must be borne in mind that a price increase of crude oil would likely lead to a slight increase in the cost of gasoline to the consumer. First, let me remind you that when the price of oil was at its highest peak the long range and permanent results effected many economies for the consumer. That is graphically shown on one of the charts which the gentleman from Oklahoma [Mr. DISNEY] explained. But more important still, let me remind you that if we do not give an impetus to production in the light of our rapidly diminishing known reserves and supply, the consequent scarcity of oil and its products in the relatively near future will increase immeasurably the price the consumer will have to pay. This bill has but one purpose, and that is to effect and stimulate and assure insofar as possible the production that will protect the Nation and its people in both their collective and individual capacities.

What is the situation today? We all know that the Secretary of the Interior and those associated with him in an investigation of our petroleum status have labored diligently to find the accurate answer to that question. As a result of that inquiry and research, the Secretary has recently had published two articles, each of which appears in a magazine of national circulation. His article in the January number of the Amercan is entitled, "We're Running Out of Oil." Any student of this problem knows that statement is true. In support of it the Secretary says, among other things:

> As we begin to take stock of our own petroleum supplies, the first thing that arrests us is the indisputable fact that if there should be a World War III it would have to be fought with someone else's petroleum, because the United States wouldn't have it. * * *
>
> We furnished 80 percent of the petroleum that was used in winning World War I, and I believe it will be shown ultimately that we are putting up 95 percent of the aviation gasoline which is being used to blast the Hitlers and the Tojos from their strongholds and the Quislings from their burrows. * * *
>
> We know that we are passing over the threshold from an oil-exporting Nation to an oil-importing one. * * * Consumption has been outdistancing our new discoveries. * * * We can now be certain that our known reserves have a relatively short life expectancy of 14 years and it is up to us to take out some form of mutual insurance. * * * So badly has our natural crude supply been hit that there can be no doubt as to our future dependence upon imports or synthetic production.

Those staggering statements must challenge our attention and our action. Their very serious import is further enhanced by another article by the Secretary of the Interior in a recent issue of Collier's magazine, in which he said:

> At the risk of being called a scarcity-monger, or something even worse, I insist that we must proceed without further delay to produce gasoline from coal.

The Secretary labels this article as a "Must" for America. A bill with such purpose has already passed the Senate, and a similar bill has been reported by a House committee and is now on the calendar. Such provision for additional supply may be necessary, but in all fairness the consumer must be reminded in advance that gasoline from such a source will necessarily involve a much higher price from his standpoint than could possibly arise from the increased production contemplated by the pending bill. And in the measure passed by the Senate for the establishment of plants to experiment with reference to the production of petroleum from coal and oil shale, $30,000,000 of the taxpayers' money is requested as an initial appropriation.

I repeat that our serious situation may require this research also in order to assure proper reserves, but let it be kept in mind that the risk and hazard of increasing our production under the bill now before us will fall not upon the taxpayers but upon private industry and private capital. Those venturesome spirits that undertake it will bear, but bear willingly, the burden of the high cost of dry holes. The taxpayer and the consumer will profit from their successes, but they alone will suffer the loss of their failures. Surely some honor is due to those brave souls who make the hazardous tests for new fields of production. To the majority of them their efforts bring more heartaches than happiness. In the main they are the independents who have no refineries, no pipe lines, no service stations from which to recoup any losses in production or price their labors may involve. How wonderfully they serve to keep alive the vigorous spirit of free American enterprise!

We have had, and very properly, much comment and discussion concerning our place in world-wide aviation when this war is over. It is a matter of vital importance in our post-war plans and purposes. We shall have the planes. We shall have the pilots. Will we have the oil? Without it the planes and the pilots will be idle.

Where will we get it? Our own crude oil productive capacity under existing circumstances has shown a steady decrease and is insufficient to meet future minimum requirements of our country's refineries. Shall we rely upon foreign production? That is necessarily an uncertain factor, and it must be remembered that post-war competition in the activities involving the use of petroleum may restrict our opportunity for such supply. Discovery and production costs have advanced by leaps and bounds within our own borders. Our only certain safety must be predicated upon our own sufficiency to meet our needs. We must obviate the premature abandonment of stripper wells that are capable of furnishing so much of our requirements and we must encourage the exploratory operations that will open up new sources of supply.

Are there such new sources to cheer us as we face a future petroleum production in this country otherwise gloomy and depressing? It is certainly gratifying that we have rather confident assurances in this regard. Besides the new fields which may be found, there are abundantly hopeful prospects in the drilling to probable deeper pools in many parts of our land. Such exploration is expensive, but there are many who with even the moderate incentive of this bill are ready and willing to undertake it. Some are sufficiently confident to believe that as much as 90 percent of our possible production is still untapped. We need that patriotic enthusiasm and the results its proper encouragement will bring. Let us give American genius and American ingenuity a fair chance to operate. We shall certainly face a crisis if we don't.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. May I ask this question for information. We have passed the Connally Hot Oil Act which limited the production of oil wells in most of our States, I believe. Is that not true?

Mr. LANHAM. It makes it a Federal offense to move oil in interstate commerce that was produced in violation of the laws of the State in which produced.

Mr. ZIMMERMAN. Does that limitation still obtain?

Mr. LANHAM. That is my understanding, but I can think of nothing more urgent for us to do at this time with reference to petroleum than to take such steps as may be necessary to assure our safety and our security in this war and in the place that our Nation will occupy in world trade and world relationships when this war is over.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BRADLEY of Pennsylvania. First of all, Mr. Chairman, I want to say, as I previously stated, that I am opposed to the bill presently under consideration.

Mr. Chairman, in yesterday's press there was a statement from the secretary of the Commonwealth of Pennsylvania in which he opposed the provisions of the so-called Lucas-Green soldiers' vote bill. In doing so, he consoled himself by saying that our State at least did have a law which was better than the law of some States and better than no law in other States. He went further and said it was a model soldiers' voting law.

I am quite sure that the secretary of the Commonwealth of Pennsylvania did not make this statement without previous review, censoring, and approval on the part of Joe Pew, because it would be a little bit of history if any official of a Republican State administration in Pennsylvania would make any statement publicly on any issue without previous approval by Mr. Pew, who controls and dominates the Republican Party in Pennsylvania and a great many other places throughout the Nation.

Let us see just how fine a law we have in Pennsylvania permitting the soldiers to vote. First of all, a soldier cannot secure a ballot to vote in Pennsylvania elections without requesting it by mail at least 30 days prior to an election.

In the congressional elections in Pennsylvania a year ago when Members of this House were elected, in the city of Philadelphia, which has a voting registration of approximately 1,000,000 and about 160,000 men serving in the armed forces, less than 700 soldiers cast bollots. In the recent municipal election in Philadelphia, out of a total vote of about 650,000, about 1,200 to 1,500 soldiers voted.

He ignores entirely the fact that those soldiers who have been inducted into the armed forces or who have enlisted before they are 21 years of age are in effect disfranchised by the Pennsylvania voting law because under our law they must be registered, and there is little opportunity for any serviceman to register while he is serving in the armed forces.

Our secretary says he takes his stand because of State sovereignty. Mr. Chairman, I want to say to him and I want to say to others, who pretend to have so much regard for States' rights, that the quickest way to destroy the sovereignty of the States in this Union is to use that issue always to retard progress and to deprive American citizens of their constitutional rights. I know no quicker way to destroy the sovereignty of the States than to continually use that issue to deprive American citizens of the rights which they are guaranteed under the Constitution of the United States.

I hope the committee of the House which is presently considering the soldiers' vote bill will bring in a committee amendment that will materially change the provisions of the bill as it left the Senate. If it does not, it is my intention when that bill is on the floor of this House to offer an amendment, which will contain the provisions of or provisions similar to the Lucas-Green bill, in order that this House may have an opportunity to give the soldiers who are fighting our battles the right to cast their ballots in this next election.

I hope that Republicans and Democrats, that Members on both sides of the aisle, will join me for that purpose when we consider that legislation, so that those who are out in all corners of the world will not be deprived of their right to vote in the Presidential election.

Mr. WRIGHT. Will the gentleman yield, Mr. Chairman?

Mr. BRADLEY of Pennsylvania. I yield to my distinguished colleague from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. I think the gentleman need not have worried about the fact that his discussion had some relevancy to the bill, because I understand Mr. Pew is at least slightly interested in oil, is he not?

Mr. BRADLEY of Pennsylvania. The gentleman is correct. Mr. Pew is interested in a lot of things, among which I believe is oil.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REES of Kansas. Mr. Chairman, I now yield 3 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, so far as I know, not one drop of oil is produced in my congressional district. If it were produced I think I would know it, because I know every cowpath and hog trail in that district, which is bigger than Massachusetts in area. But I wish to say my people use gasoline and oil, when they can get it, in the mines, on the farms, and in the forests, and they would not object to paying a fraction of 1 cent more on a gallon of gas, provided they could get the gas. They cannot get it today, Mr. Chairman, for the reason that under present O. P. A. regulations and ceilings oil operators in this country cannot receive the cost of production. More than 10,000 stripper wells have been shut down this year. The situation is fast becoming critical. It seems to me that the price consideration in this present measure is of secondary importance. The big and important thing, the thing that is of paramount consideration, is to maintain and increase production. That is what we need. That is what we must have, not only to maintain our domestic economy but to win this war. We all know that oil, next to food, is the most strategic, critical, and necessary item in the whole war program, and unless we have it in sufficient quantities this war could well be lost. Mr. Chairman, however much different Members of the House might differ with Harold Ickes, Secretary of the Interior, and many times I have differed with him, and often violently, I wish to say that that old salty, self-styled "curmudgeon" is controlled by nobody except himself. I think he spends a lot of time even arguing with himself, which is a pretty good thing for any man to do. When I look at Harold Ickes I do not know whether to kiss him or kick him. At times I would not take a million dollars for him. I am sure I would not give 15 cents for another one like him. But I have read carefully the 2 splendid articles he has written to which the gentleman from Texas [Mr. LANHAM] has referred, and every Member of this House, if he had read those articles, would not hesitate one moment to vote for this pending bill. In spite of all the criticism that might be leveled against the Secretary of the Interior, I do believe he is a man of ability, and I think he knows more about the present oil situation in this country than any other individual in the whole country. For that reason and others, that I do not now have the time to enumerate, I am pleased to give my hearty approval to this measure.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, for over a year now there have been a number of Members of this House who have been intensely interested in the attempt to get the price of oil up a little closer to the parity line that Mr. DISNEY spoke of this morning. We have pointed out many times that a higher price must be had, some profit must be had to get the proper production. We have also pointed out many times that we have been using more oil than we have been producing for the past year. We cannot expect finally to have enough oil to supply the Army and Navy and military forces, if we attempt to try to hold down the price of oil to about 60 percent of parity in comparison with the general commodity index of prices. For that reason this bill has been petitioned out on the floor of the House. Now we have an opportunity to correct an economic and fundamental problem that is before the Congress which lies heavily upon the minds of the people of this country. We have expanded the Army and Navy many times. We must have oil for our ships, tanks, trucks, and planes. This is a war measure. We might yet prolong or lose the war for lack of oil. We can go forward today by passing this bill in the hope that it will be sustained by the other departments of Government, and in the hope that it will help to bring greater production of oil. It will bring forth greater production and will bring much needed relief to our civilian economy. If we fail today we may turn on to the subsidy route, that has been advised by the administration. We cannot afford to take a chance on such a course. I must agree with the gentleman from Oklahoma [Mr. DISNEY] that subsidies will not produce oil; that they are more likely to drill for subsidies than they are to drill for oil.

So I think the choice is easily made. We should, and in my judgment we will, pass this measure by a splendid majority, and when we have done this it does seem to me that we have put the power in the proper place and we have provided for a minimum raise and established a sort of parity policy wherein other inequities can be taken care of by those whose duty it is to take care of them and we can have a sort of over-all, even balance of the price of oil. The Congress, by this bill, can make the price practically mandatory to a certain extent in line with the thought of the people of this country and then we will not have to listen and the people will not have to suffer by having arbitrary and unfair and unjust prices put upon a commodity like oil that is holding down production.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. SHORT. Does not the gentleman feel many people in our country have the erroneous impression that all oil men are millionaires? Of course, they read of the gusher that is struck and of the rare individual case where a man can make a million dollars, but they fail to consider the thousands of dry holes drilled at great expense all over the country and they fail to consider that capital will not risk itself unless it is given a fair profit.

Mr. VURSELL. I think the gentleman from Missouri is quite right.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DISNEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I rise in support of the Disney bill. I do not want to rehash a lot of facts and figures that has already been discussed. This situation has been discussed by me in several speeches previously appearing in the RECORD. It seems to me that we all agree that we are faced with a petroleum crisis. Further, we all agree that something must be done. We have the anomalous situation of some half dozen committees of this Congress investigating the petroleum situation and all recommending the need for a substantial increase in price.

The Petroleum Industry War Council, composed of petroleum experts from all over the country, have long been recommending that an increase in price be given.

The Petroleum Administration for War, headed by Secretary Ickes, has several times recommended an increase in the price of crude oil of not less than 35 cents per barrel.

The only instrumentality of this Government that has refused to acknowledge the immediate importance of an increase in the price of crude oil is the Office of Price Administration, and even that agency recognizes that a crisis faces the country and that something ought to be done.

Now, this is not an oil producer's bill, although many small independent oil men are going broke under the existing price structure. This is an oil consumer's bill. This is a war measure. In this age of machines and motors, and mechanized war, there is nothing so important to both the war effort and the domestic economy of this country as oil, with the one exception of food.

Reference has been made to the fact that we have spent some $150,000,000 already on the Canol oil project in Canada. Reference has been made to the money spent and requested for experimentation on synthetic oil production. Is it not an absurd and ridiculous situation that in a country where we could and would discover much additional new petroleum reserves with an increase in the price of crude oil, we hold that commodity down to around 58 percent of parity? It is the only thing in our whole range of vital commodity products that is held down to such a low price, and the one thing that is absolutely essential to keep both domestic and war machines going.

For the first time since the first oil well was drilled in this country there are being closed down in Texas this year more wells than are being drilled. There are literally thousands and thousands of marginal wells. They cannot continue to operate at a loss. This stripper well production is a vital part of the entire picture, particularly when petroleum products are scarce. Let me remind you that we have not even begun to experience the hardships of gasoline rationing as compared with what we will experience within 12 months unless something is done to increase crude-oil production. If the war continues, by this time next year, the A and B coupons will probably be entirely eliminated. Half the domestic vehicles now operating may be put up in garages, and most of us will probably be walking to work. Many essential trucks will be laid up in garages because they will not have gasoline to operate.

So we are confronted with a situation that must be handled, and handled immediately. Some folks say that these oil men are making a lot of money or they would not continue to produce oil. Many of them are remaining in business on the slim hope that we will get something through this Congress and get an increase in the price of crude oil before it is too late.

Mr. O'CONNOR. Will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. O'CONNOR. I want to observe that we only get $1.10 for crude oil in Montana.

Mr. GOSSETT. Well, the price varies. It is an average of something like $1.17 per barrel. I want to give you some figures which may seem facetious but which illustrate the point. One gallon of Coca-Cola sirup sells for $3. One gallon of beer sells for 60 cents. One gallon of milk sells for 45 cents. One gallon of vinegar sells for 30 cents. One gallon of drinking water 5 cents. One gallon of crude oil sells for 3 cents. Mr. Chairman, we cannot afford to gamble with further petroleum shortages.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DISNEY. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I was interested, as many other Members were interested, in the brief colloquy between the gentleman from Oklahoma [Mr. DISNEY] and the gentleman from Pennsylvania [Mr. BRADLEY] when they discussed the matter of holding the line. I agree with the reply of the sponsor of this legislation, the gentleman from Oklahoma [Mr. DISNEY], when he says that it is not so much a matter of holding the line against inflation as it is to allow these men who are in this industry to bring the price of crude oil up near the line. I believe an upward price is a necessary oil-production stimulus which can and properly should be stressed again and again in the discussion of this proposal this afternoon.

It has been mentioned by other members that there is a terriffic drain upon the petroleum pools of this country in the prosecution of the war. Certainly that is true—true because this is a mechanized war. It is being fought on wheels and wings, and the resources of America, not only from the standpoint of the materials which go into the construction of mechanized units but also the fueling of those mechanized units, is of tremendous importance.

I believe this House would like to know that which has been brought to my attention—perhaps it is not particularly new to you—that when we have one of these 60-minute bomber raids over occupied Europe, or over a target in Germany, with approximately 700 or 800 planes taking part in the armada which goes on the mission, there are consumed approximately 1,000,000 gallons of high-octane gasoline.

To produce that 1,000,000 gallons of high-octane gasoline we have to draw from the earth approximately 4,000,000 gallons of crude oil because the ratio is approximately 1 to 4.

The Acting Petroleum Administrator for War, Mr. Davies, in writing a letter to me under date of November 8, 1943, said that—

> We are faced with a shortage of crude oil supply, that discovery and development of new crude oil reserves have not kept pace with the mounting demands of the armed forces and essential civilian requirements for petroleum products.

As of today, Mr. Chairman, we are faced with a daily deficiency of approximately 175,000 to 200,000 barrels of crude oil in the operation of this war and in meeting the necessary civilian needs at home. By the end of 1944 this figure, according to the P. A. W. experts, including Mr. Ickes and Mr. Davies, who are charged with this responsibility, will amount to the figure of 300,000 barrels daily.

If this happens we shall become an importing country from the standpoint of petroleum because our oil resources in America cannot keep pace with the demand. It is important to consider that, of the 20 oil-producing States, there are 14 which have decreasing oil reserves. In our State of West Virginia we have had downward spirals for a 3-year period. In 1940 we had a reserve of 52,000,000 barrels; in 1941 it was 50,000,000. Last year it had dropped to 47,000,000—a decrease of 5,000,000 barrels.

There is no oil production in the congressional district which I represent. I was born and lived my early youth, however, in a section of West Virginia which was once a substantial oil and gas area. My father was a producer, and I can recall seeing derricks rise on a hundred hills. I remember, even now, the sturdy driller, the robust tool dresser, the patient pumper. The operator was, and is, in a venturesome business. In time of peace he needs encouragement. With our Nation at war his very existence, and the welfare of our country, are dependent on courageous action by Congress.

I am not particularly interested today in denouncing the Office of Price Administration and praising the Petroleum Administrator for War. I wish the debate would not hinge so much on that sort of premise. I do say, however, that I fear very much there are too many individuals today in the structure of the Office of Price Administration who, when they consider oil production, fail to be practical.

I feel that those men who go out into the wildcatting fields, those individuals who work with the small producing areas and those other operators who have the stripper wells, should be given relief. Those pathfinders who take the chance, who operate on a slim margin—and many of them, as has been truly said today, are losing whatever financial backlog they have as they drill for war production—must be considered. It is, Mr. Chairman, harder to get the necessary oil from the ground by using a drill bit than it is by using any yardstick of the pencil, a map, or a chart.

Members of Congress, when convinced a gross inequity exists, cannot be expected to remain inactive from the standpoint of legislative functioning. As for myself I am convinced, after careful study of all factors, that this bill before us today is meritorious.

Mr. DISNEY. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from Oklahoma has 11 minutes remaining; the gentleman from Pennsylvania [Mr. WRIGHT] 45; and the gentleman from Kansas [Mr. REES] 13.

Mr. WRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FORD].

Mr. FORD. Mr. Chairman, when the idea of increasing the price of oil 35 cents a barrel was first proposed to me I was inclined to agree that it should be done if it could be done in the regular way and through the regular agencies that this Congress has set up for the purpose of allowing price increases or rolling back prices; and on that basis I favored the measure; but if we, the House of Representatives, the Congress, in other words, are going to start out on a foray of raising every price that every pressure group brings in and makes a case for, we might just as well repeal O. P. A. and all the other agencies we have set up for the purpose of controlling inflation. We cannot go on the basis that this will be the only increase requested, for already there are the railroad men coming in, other groups will be coming in, other producers will be coming in, the steel people, the coal people will come in and I suppose later on the cotton people will come in, then the wheat people, then the rest of them will come in, and finally we just have not got any price control at all and Congress itself, instead of being a legislative body, will become the executive body of the Government and it will say what prices are to be paid for what. I want to say to my friends who are proposing other measures of a similar nature that they are making a very grave mistake when they ask Congress not to legislate but to execute. In other words, that ancient principle of the separation of powers.

H. R. 2887, brought to the floor on a petition, provides that the control of petroleum products be removed from the jurisdiction of O. P. A. and placed under the jurisdiction of the Petroleum Administrator.

The purpose of this measure is, in fact, to secure for oil producers an additional 35 cents per barrel for crude oil. The bill does not say so, but that is its objective.

I regret that I cannot support this measure for the reason that it is just one more attempt to chip away the powers of O. P. A., and bring about an increase in the price of one more commodity.

I could not consistently vote against a bill to abolish subsidies and thus permit food products to rise on the one hand and vote for an increase in the price of petroleum products the next day.

This congress directed the President to stabilize prices and wages. This he has tried to do. Not altogether successfully, but on the whole pretty well.

If Congress now wants to take back its directive, it can do so. But for God's sake do it openly and honestly and directly.

This chipping away process is a dangerous and devious method.

It is just as our courageous Speaker said a few days ago on the floor of this House.

Ceiling prices for the other fellow, but not for me.

That way, gentlemen, lies chaos and black night. I want no part in it.

The mere fact that only one side has been presented, that the proper committee has been bypassed, indicates that the proponents fear a hearing by the proper committee of the House.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

PRICE INCREASE SHOULD BE MADE REGULARLY AND NOT BY LAW

Mr. PATMAN. Mr. Chairman, this is a very serious step that the House is about to take. There are two ways to increase the price of a commodity or to decrease it. One is by legislation, and the other is through the executive branch of our Government. The Constitution very wisely defined the powers of each. Any time the legislative branch assumes the functions and power and duties of the executive branch we shall be criticized and shall become just as vulnerable as the executive branch of the Government when it undertakes to usurp the functions of the legislative branch.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield briefly to the gentleman from Oklahoma.

Mr. DISNEY. There are two ways that we can affect prices. One is by direct legislation, and the other is by delegation of power to the executive department.

Mr. PATMAN. That is right.

Mr. DISNEY. The executive department has no power over prices at all except what Congress delegates to it.

Mr. PATMAN. There is no difference of opinion there at all, I may state to the gentleman from Oklahoma, but when he said we delegate power to fix prices I remind him there are 8,000,000 different commodities.

Obviously the Congress cannot fix the price of 8,000,000 different commodities. It would be the old tariff logrolling at its worst if we would attempt to fix all prices. This just happens to be oil. I am from an oil section of the country. There is oil produced in the district I represent, and it would be of interest to the people I represent, but I would rather they have dollars, although fewer dollars, that are worth more money than to have a lot more dollars that are worth much less. We are on the verge of a dangerous situation, an inflation condition that is just about to break out in this country, and any time it does our dollars will not be worth 10 cents. Inflation has already taken hold in Russia, in China, and in some of the other countries of the world. It can take hold here. What is to keep us, if we are going to legislate on oil, from introducing a bill raising the price of cotton? What about wheat, what about corn, what about coal, what about the salaried workers whose wages have been frozen?

Are you going to increase the price of oil, then say to the low-salaried, low-income persons, "No, we cannot do anything for you. Of course, the oil people are strong enough to make us do something for them, but we are not going to attempt to do anything for you." Anyone who does this puts himself in the vulnerable position of taking sides for one industry and letting all the other industries go.

HOUSE IS INFLATIONARY

The price-control law, as bad as some people claim it is, has been a wonderful thing for us. Our Government would have been destroyed and ruined without O. P. A. The Congress is in the idiotic, ridiculous, position of having given a directive to the President of the United States to hold the line as of September 15, 1942, to hold prices, wages, and salaries down, then every time the Congress gets a chance, particularly the House, they do something to retard the efforts of the President of the United States. First, the O. W. I. was doing a wonderful job in teaching the evils of inflation. The House cut out its entire appropriation for that purpose. This House is inflationary. This House is putting the country on the ruinous road to run-away inflation and if we do not look out we are going to be sorry for it.

We would like to increase prices on oil if done properly; but we are setting a precedent and a policy here that would be taking the longest step in the direction of ruinous and run-away inflation this country has ever taken. We cannot administer price control by law and our friends have no right to ask us to do it in this particular case.

REPUBLICAN PARTY INFLATIONARY

There are lots of people who hate O. P. A., who hate the President of the United States, who hate this administration, and they are glad to do anything that will be against them; but at the same time they are working against the country—they are doing something that is damaging to the country. I am not criticizing my friends on the Republican side. They have as much right to be on that side as I have to be on this side. I have no criticism of them for their views. They have a right to their views and I have a right to mine. I represent my district and any individual Republican over there represents his district. I want to ask them to give serious consideration to the question of putting this House on the ruinous, run-away road to inflation, and I can cite instances.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WRIGHT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PATMAN. Mr. Chairman, first there was the O. W. I. appropriation. There was a direct vote in favor of inflation and by a solid Republican minority voting together they voted to cut out that part of O. W. I. which was doing a lot against inflation. Then a bill came along to us to enforce O. P. A., and by the Republicans voting solidly they again succeeded in reducing the appropriation of O. P. A. about $30,000,000, a sufficient amount to render enforcement of O. P. A. laws and rules absolutely impossible, crippling and harming the only other agency that has to do with keeping down prices, wages, and salaries and preventing ruinous inflation. Right here we have a case of something that we would all like to do, have a better price for oil, but we are setting a precedent, a very dangerous precedent, one that I am afraid will rise up to haunt us in the future.

Mr. HALLECK. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman, as the membership knows, is chairman of the Small Business Committee of the House. I am privileged to serve on that committee.

Mr. PATMAN. As the ranking Republican member, and a good one, I may say to the gentleman.

Mr. HALLECK. Is it not true, having regard to the price of crude oil and what might be said about inflation, that the Small Business Committee some months ago vigorously recommended an increase in the price of crude oil?

Mr. PATMAN. Yes, and I am strong for it, but let us do it like we do everything else. If we do it by law, let us do everything else by law. If we are going to take over the Executive functions, let us take them over. If we are going to leave 8,000,000 commodities to O. P. A., let us leave all of them to O. P. A.

Mr. HALLECK. I may suggest to the gentleman that I have been concerned about that provision of this bill which transfers out of O. P. A. certain price-fixing functions. It has been my view from the beginning that price control should be in one agency. Now, insofar as this bill undertakes to establish a floor which is in a measure a parity price beneath which the ceiling cannot be fixed, will the gentleman agree with me that it follows in a measure at least the precedent that was contained in the price-control bill with respect to the price of farm products?

Mr. PATMAN. Of course, obviously I cannot discuss that in the limited time I have at my disposal, I may say to the gentleman.

Mr. WRIGHT. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman has spoken about the danger of regulating the price of one commodity on the floor of this House. I would like to have the gentleman's comment upon considering such a matter in a proceeding such as this where there has been no testimony, no hearings, no opportunity for either the Committee on Banking and Currency or this Committee today to consider all the possible implications and effects of such proceeding?

Mr. PATMAN. That is right. Remember this, the chairman of the committee promised that he would commence hearings on this next Friday. It has hearings on until then. That committee will give full and complete opportunity for both sides to be heard and the investigation will continue—the hearings will continue—until completed, and a report will be made to this House. What can be fairer than that? Maybe we do not know both sides to this story. Maybe we should have every side. Any time you attempt to put oil under Mr. Ickes, and I am opposed to it, and food prices under Mr. Jones—I am going to oppose that as much as I like Marvin Jones—you are running into danger. I would like to see some things done for agriculture that are not being done. I am against the rubber price being under the organization that Mr. Jeffers organized. I am against transportation prices being under O. D. T. Any time you attempt to break up O. P. A. and assign price fixing all over the country, you will get prices in charge of people who cannot resist these groups and will grant increases and you will have ruinous inflation. You have got to have an economic stabilization and you can only have it under one head. If you have a dozen heads, you will not have it.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from South Carolina.

Mr. RIVERS. Will the gentleman favor an amendment retaining this thing under the O. P. A. instead of transferring it to the P. A. W.?

Mr. PATMAN. I am against the whole thing.

Mr. RIVERS. The gentleman will vote for an amendment retaining it in O. P. A.?

Mr. PATMAN. Yes, I would vote for an amendment retaining it in O. P. A. Is the gentleman going to offer an amendment like that?

Mr. RIVERS. It will be offered.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. The gentleman does not intend to say he would accept this new parity provision, too?

Mr. PATMAN. No, that does not mean I would vote for the bill, but I would certainly favor the amendment over what is in here. As between the two evils I would choose the lesser. I do not see any reason, because it is under O. P. A. now.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. DISNEY. With that attitude, what chance would this bill have of coming out of the Committee on Banking and Currency, after all your promises?

Mr. PATMAN. I do not run the Committee on Banking and Currency, I am just one member out of 26.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, it seems to me that at this stage we can agree that certain things are apparent. One is the importance of oil to the winning of this war and to the normal pursuits of our civilian life. I am sure there is no disposition on the part of those of us who are opposing this bill to question that important statement.

Secondly, the oil industry is in difficulties. They have a problem that they are entitled to bring to the Congress in asking relief. As a member of the Committee on Banking and Currency, I for one am ready to hear them sympathetically, because I come from an oil-producing State.

Another thing I should like to express myself on is the statement of the distinguished gentleman from Oklahoma [Mr. DISNEY] at the outset that he did not wish to embarrass the members of our committee. We accept that statement at face value. We have the same high respect for him that he expresses for our committee.

We are grown-up men and women. We are not questioning these actions on the part of those who feel strongly about the need for relief. We are not criticizing the oil industry for pressing their claims vigorously. I have been in Congress but a short time, but long enough to recognize that now and then great distress exists in particular parts of our economic life. It is inevitable that this Congress should become sort of an economic council, a high court from which the people might expect relief. We are their responsible Representatives. We should not criticize the pressure groups if it means that we are trying to evade our responsibility. So, as one who comes from an oil-producing State and who has many friends who feel that some action should be taken, I am ready to say that we should examine this question.

But we come to the difficult question of whether or not we are going to have craftsmanship in legislation that we can be proud of, and whether or not that legislation is to be hammered out by discussion and by exploration and by seeking every kind of possible alternative that will avoid disturbing the economic balance of this Nation. Therefore, those of us who feel that hearings should be held, and it is the assurance of the chairman of the committee that they can be held quickly, are simply asking for a chance to hear this complaint and work it out and bring in legislation that we can defend.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arkansas.

Mr. HARRIS of Arkansas. I am sure my colleague is well advised that there are a number of committees in the House, and one in the Senate particularly, who have given special study to and had extensive and exhaustive hearings on this question. Is it not a fact that the Subcommittee on Petroleum of the Committee on Interstate and Foreign Commerce has made a thorough study of this matter and reported to Congress? Is it not a fact that the Small Business Committee of the House has made a thorough study and reported to Congress? Is it not a fact that the Committee on Naval Affairs of this House has made a thorough study and made a report? And is it not a fact that a special committee of the Senate has made a thorough study and reported to this Congress?

Mr. HAYS. I appreciate what the gentleman has said. It seems to me, however, that that fortifies what I am saying, that we could get a quick report with all of these facts he mentions and the recommendations that might be followed. It seems to me our committee could take the particular proposal and say that, in the light of all available information, it should be changed at this point or that, or perhaps discarded for a better plan.

Now I have a comment about the bill that is proposed as the answer to the oil price problem. If we agree that the problem exists, that no hearings have been held, and that it is thrown in without deliberation on the part of a responsible committee, then it follows that the proponents must defend their particular proposal. And what is it? It is an oversimplification of the whole issue by saying, "We will simply bring the oil price up to the average, and place a floor under that price that will keep it not less than average."

The concept of an average is often a delusion. It can be simply stated this way, I think. Here are three items at 75 cents and three items at 25 cents. The average is 50 cents. But if you are going to bring one of those up to 50 cents, or the average, what do you do? You immediately establish a new average. You would have to take two jumps. You would have 54 cents, roughly, as the next average. So, using that as an illustration, I insist that the idea of averages is not the answer to the problem. It is impossible to guarantee an average price to any commodity without giving that commodity preferred treatment. When preferred treatment is sought the basis for it must be indicated. I cannot believe that the House wants to get into the business of fixing specific price ceilings or floors by legislation.

I suggested that some type of relief might be afforded by the Banking and Currency Committee, that the urgency of the oil business at least is entitled to consideration, but I would insist that when we try to carve out of our general price legislation some special provision for any commodity it ought to be done judiciously and without imposing rigid price formulas that would establish precedents upon which other industries could depend in the drive for higher prices.

I fear we are taking inflation threats too lightly. If we resort to this device when an industry is in trouble we are inviting price spirals that will not only get our price relationships bodily out of order but in turn will react upon the oil industry itself in a disastrous way.

Mr. Chairman, we must soon decide whether we want inflation or not. We are dangerously near to the point now of causing people to believe the Congress desires general price increases. When buying practices gain momentum on that theory they are hard to stop. The bill ought to be recommitted for study and action by the Banking and Currency Committee.

Mr. WRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I suppose what I am doing is telling you a little bit about what I do not know rather than undertaking to tell you all about what I do not know, for on the latter I'd have to get more time than 2 minutes. I do not know much about this bill. I have heard of it. I have heard something about the Committee on Naval Affairs having some sort of an investigation, and maybe a committee over in the Senate giving some attention to the matter of petroleum products and needs. I have heard some very fine statements under the rule of the House which permits us to speak under special orders. But this is so important I should like to know something more about it. There has been no hearing by the committee to which the bill was referred.

When I read the bill, I find that in the bill there is something that would take me a long time to analyze and survey its implications and satisfy my own mind as to what it would amount to.

In the bill I read this:

To that end no price ceilings for crude petroleum or the products thereof or derivatives therefrom shall be fixed or maintained by the Administrator below a price, the index of which is equal to the price index of "all commodities" as reported from time to time by the United States Department of Labor.

I do not know what that requirement amounts to. I should like an opportunity to hear some talk about that and an explanation of all of the provisions and implications of this bill. I have been inclined, if the bill came in in an orderly way, to the belief that something ought to be done, but as it is coming this way, I do not see how I can satisfy my own mind about it. Hearings ought to be had and the whole matter arrived at according to the usual procedures of the House.

Mr. DISNEY. I yield to the gentleman from Oklahoma [Mr. BOREN] such time as the gentleman may require.

Mr. BOREN. Mr. Chairman and colleagues, it is not my purpose to enter into any lengthy discussion of this bill. But I do want to report to you, lest there be some mistaken impression, that this subject has had the very thoughtful and careful consideration of a congressional committee. Your Special Committee on Petroleum has made a careful investigation into the price and the effect of price on oil production, studying the problem for considerably over a year. On December 31, 1942, the Committee on Petroleum, headed by the Honorable CLARENCE LEA, of California, and Members with whom you are acquainted, recommended through the Congress to the administrative branches of government that the price of petroleum be increased in order to furnish the Nation that needed incentive for the search for new discoveries. Again, in the first session of the present Congress, on July 3 of this year, that same committee, after careful study of many, many months and careful investigation into this situation, again reported and recommended that a price increase be given to petroleum in order to stimulate a very necessary search for new discoveries. Now, gentlemen, petroleum rests on 60 percent of parity. But it is not simply a matter of justice for the petroleum industry for which I enter my plea. It is in our national interest. Certainly we know that oil is a sinew of war. Three out of every four tons of deadweight tonnage that leaves for our offshore establishments is petroleum. Our Nation needs what this bill would provide, an incentive for search for new discoveries.

Mr. REES of Kansas. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, it has been my privilege during the past few months to give a good deal of attention to the petroleum situation as particularly related to the great consuming section of the northeast part of this country. We all know how our economic life has been completely turned upside down as a result of the petroleum shortage, not because there was not oil being brought to the ground at that time but because of the submarine menace which broke down our only means of transportation which previously brought over 95 percent of all the petroleum products from the oil-bearing States to the eastern seaboard. Now we are reaching the time when transportation facilities are being made available either through pipe lines, additional barges, additional tankers, and other means of transportation, which means, if we can get the oil, that the other parts of the country, as well as the eastern seaboard, will have the opportunity to again get back on wheels. I need not tell you, in the eastern seaboard a great deal of suffering has been taking place and a great deal of economic loss along with it ever since the shortage of oil has occurred. As a result of the work of several investigating committees, including the subcommittee of the Committee on Naval Affairs, of which I am a member, we are all convinced something must be done to stimulate production. We know new discoveries in the form of new reserves are nowhere near as great as they have been in previous years. And consumption, daily and annual consumption, of oil today, of petroleum products in all its forms, is far in excess of what our new discoveries in reserves are at the present time.

We also know many wells, stripper wells and secondary wells, are closing down simply because they find it unprofitable to continue. I am one of those who firmly believe we must provide an incentive to develop new sources of oil in this country if we are going to get out of the mess we presently find ourselves in. I cannot, however, go along with this bill. This bill goes far beyond the recommendation of the Petroleum Administrator for War and his 35 cents a barrel. This bill—and I understand there will be a further amendment offered—provides that no ceiling prices shall be fixed or maintained below a parity price. Well, from the Office of the Petroleum Administrator for War I am informed that simply means an increase not of 35 cents a barrel but 75 cents or 80 cents a barrel. I understand further that an amendment is going to be made to strike that provision out and substitute another provision that the Administrator shall give consideration to a parity, which indirectly means the same thing. It seems to me, Mr. Chairman and members of the Committee, what we ought to do is empower the Petroleum Administrator for War with the authority to recommend and have his recommendation approved by the President. I believe that then we will get some relief, and I am going to offer an amendment to that effect.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REES of Kansas. I yield 3 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, on the 5th of August 1943, approximately 25 Members of this House and 8 Members of the Senate met with Mr. Ickes and Mr. Davis and some others of his Department in Chicago. This meeting was in fulfillment of a promise made by Secretary Ickes to the Members of the House and the Senate, prior to the recess, if any contemplated change was going to be made in the amount of gasoline for the consuming public we would be notified and be given an opportunity to be heard. Also, at that meeting there were present representatives of the oil industry throughout the United States as well as the motor-vehicle industry and many other lines of industry. From this meeting the following facts and conclusions were developed, which have, up to this date, as far as I know, and particularly at that meeting, not been challenged. At the present time, or rather as of August 1943, the known oil reserve supply in the United States was sufficient for 14 years under pre-Pearl Harbor conditions. But with present conditions and the tempo of the war effort, that supply would only last for 7 years. If we are to have sufficient oil supplies for the future of our people in our country it will be necessary to raise the price of crude oil and encourage venturesome capital to go in and discover new oil fields and increase the known oil supply reserve. Further, that the increase of 35 cents a barrel as a minimum increase would prevent the closing down of many stripper wells and margin wells that are bound to be closed down if the price is not increased. Further, that an increase of 35 cents per barrel for crude oil would amount to not more than 1-cent-per-gallon increase to the consuming public.

At that meeting Secretary Ickes himself stated that he was in favor of an increase of 35 cents per barrel and had so recommended for some time to the Office of Price Administration.

Also at that meeting a representative of the Deep Rock Oil Co. made the statement that if an increase of 35 cents per barrel for crude would be put into effect at once, by July 1, 1944, it would be unnecessary to ration gasoline in the Midwest and the West.

Just previous to the convening of this meeting in Chicago a similar meeting was held in Kansas City, Mo., attended by Members of this body as well as Members of the other body, and some 8 Governors of Midwestern States. A resolution was passed at the Kansas City meeting and forwarded to the Chicago meeting, which supports the statements I have just quoted to you from the Chicago meeting.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. CUNNINGHAM] has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Chairman, today we will be given an opportunity to make a real contribution toward victory in this war through the passage of H. R. 2887, which is designed to increase the production of crude oil so that more gasoline and fuel oil will be available in this emergency for both military and civilian purposes. Our drive-for-action committee has worked hard to get the required number of signatures on the petition to bring this bill before the House. According to the CONGRESSIONAL RECORD of November 23, 149 Republicans, 68 Democrats, and 1 Farm-Laborite signed the petition. Fifty-eight members of the drive-for-action committee signed the petition.

New Deal bungling delayed the synthetic rubber program 18 months, and we must not permit similar shortsightedness to bring about a break-down in our oil and fuel supplies. The Roosevelt administration has been repeatedly warned of an oil shortage, but very little has been done to remedy the situation. It appears that the O. P. A. is more interested in regimentation and control than increased production. They may have planned it that way. It is about time for Congress to do something about the oil situation.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. LANDIS. I yield to my distinguished colleague from South Dakota.

Mr. MUNDT. I want to say that I agree with the gentleman from Indiana that this is a situation into which the Congress should step at the present time, in order to bring about some order. I wonder if the gentleman will agree with me that one of the greatest difficulties which we have run into in this whole problem is the operation of the "Gwibits" downtown on this problem.

Mr. LANDIS. You might tell us the definition of a "Gwibit."

Mr. MUNDT. If the gentleman is not familiar with "Gwibits" I may say that on Wednesday next I expect to address the House for some length on the menace of "Gwibits." Permit me to say they are one of the most insidious influences now at work among the bureaus in Washington, and until they are eliminated, and until the Congress steps into the breach, we may expect further difficulty such as we are now having on the matter of oil. I hope the gentleman will be here Wednesday when I discuss the subject of how to identify and stop a "Gwibit."

Mr. LANDIS. I thank the gentleman for his contribution. I shall be here on Wednesday.

Oil-well drilling is an expensive business. Dry wells cost money every year. Whenever the cost of oil falls below the cost of production wildcat drillers are forced to quit the business. Under prevailing conditions independent operators cannot afford to operate stripper and marginal oil wells. Once they remove their machinery vast quantities of crude oil are forever being lost to this Republic. The result is a curtailed supply of gasoline and fuel oil which is crippling our domestic economy and slowing our war effort.

Wildcat oil drilling has been the principal source of new oil supplies. The record shows that they have discovered three-fourths of the new oil pools. About 20,000 small oil men produce about 50 percent of the Nation's oil supply.

On April 12 I discussed the oil shortage on the House floor. I warned of this general decline in our present oil production and the decline in the drilling of new wells, all of which is due to low prices set by the O. P. A.

The present oil fields and the production of oil is not sufficient to maintain the war effort, and it is necessary that new wells be drilled. Due to the bungling of the oil program, our civilian population is being rationed on gasoline and fuel oil. Defense workers must have the necessary gas and oil to get to work. Farmers must have a sufficient amount to market their farm products. Essential men in business and other walks of life, such as doctors and ministers, must have a certain amount to carry on the business of America.

Information has come to me through reliable sources that our oil supply will only last about 14 years from oil pools, 65 years if oil is taken from shale, and 1,000 years if taken from coal. If this is true, it is high time we were developing the process of taking oil from coal and shale. Our coal supply in America is almost unlimited. We have trillions of tons beneath the earth's surface. Not long ago we voted out a bill from the Mines and Mining Committee, of which I am a member, to set up pilot plants in America to develop the process of taking oil from coal and shale. This bill has now passed the Senate and should be before the House in the near future.

As a move in the right direction, H. R. 2887 will transfer the oil problem to the Department of the Interior, and that Department will have complete authority and will also be responsible for an increased production of oil.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. LANDIS] has expired.

Mr. WRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, we have heard some reference made to the Naval Affairs Subcommittee which has just recently, within the last 2 months, completed a very exhaustive and lengthy investigation of the oil industry. The Naval Affairs Committee is charged, among other things, with the operation of the Navy, which is geared entirely to the consumption of petroleum and its byproducts. Our report brought some very alarming figures to the attention of that great committee. I should like to tell you some of them at this time. I wish I had more than 3 minutes today. I would like to tell you something about our report.

First of all, I want to tell you there is no oil within 600 miles of my district. As far as I know, South Carolina is a long, long way from an oil well. I have no pecuniary or political interest in this question, but I know that prosperity is not sectional. I know that if your country dries up on oil, my country will suffer. I know that if your country has no production of this vital material, the people in New England, the people in New York, the people in other frigid sections of this country will be very cold. Therefore, I say to you this is as much my problem as it is the problem of any of you where this oil is located. I think we should approach the question from that angle.

We found in one State alone, Texas, that $75,000,000 of drilling equipment is being stacked because they cannot operate under the conditions now imposed on the producing end of the industry. We found that out of 20 producing States of the Union, 14 of them are going into a nose dive on production. We brought these facts to the attention of our committee.

I would like to read you a list of the States which are going down in production, because they cannot continue in business. Of all the oil produced, 77 percent of that was found by wildcatters. Of all the oil produced, 43 percent was produced by independents. The independents are being run out of business because they cannot stand the burden placed on their shoulders.

Then you say it is not a congressional question. I say it is. It is as much the problem of New England and South Carolina and Virginia and Georgia as it is any of the other States. If we do not get oil, the Navy does not operate. If we do not get oil, the Army does not operate. The airplanes are still and the tanks do not move. Therefore, it is our problem. We have got to drive that home. This is our problem.

This is the list of States which are now in a nose dive of production: Illinois, Arkansas, California, Kansas, Mississippi, Kentucky, Montana, Nebraska, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, and West Virginia. You say it is not our problem. I say it is our problem, and unborn generations will say to us that it was our problem.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RIVERS] has expired.

Mr. WRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I do not believe there is a Member of this House who was more disappointed than I when the Stabilization Director denied the increase in the price of oil. I am as fully aware, I believe, of the independent producers' hardships as any other Member from an oil-producing State. Five out of my counties are the biggest oil-producing sections in the State of Oklahoma, and, I believe, in this Nation.

But, Mr. Chairman, I think we are indeed playing with fire when we attempt to tear down the dam that is holding back inflation by putting a charge at the base of this dam to let any one single product through. I think that this issue here today before us is more important in relationship to inflation control than was the subsidy fight.

SETS DANGEROUS PRECEDENT

With the subsidy fight we were dealing merely with one of the important weapons to combat inflation. Here we are dealing with congressional policy, of whether we will fix the responsibility for price control and anti-inflation efforts in the hands of one agency or whether we will choose to spread it all over the departments downtown without any single one charged with trying to hold down the cost-of-living end of it.

I have many oil producers and enough of my dearest friends who are oil producers who should realize the impending danger of inflation, the danger that this bill would cause to their insurance policies, to the millions of dollars' worth of bonds that are held by these people, to the life savings of many of their employees.

I feel if they realized how great these dangers were, they would not be asking that we blast away the dam in order to give them the 35 cents added per barrel increase that they seek.

NO TARIFF-WRITING JOB

Mr. Chairman, the Congress cannot begin to attempt to fix wartime prices on a tariff-writing basis; it simply will not work. You will find if we set the pattern here today in this bill that it will not be long before we shall have to continue it almost every day, continue making adjustments in prices on some 10,000 commodities that are under price control for the war.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I will yield when I complete my statement, if the gentleman will permit.

I am as fully aware as anyone that an impending oil shortage faces this country, but, Mr. Chairman, I do not believe that Members of the Congress of the United States are the only people in America who are concerned with this shortage. I think the Army, the Navy, and the high command having brought in some of the best brains in the oil industry know also about the shortages and are watching that. So we ourselves are not the sole custodians of this production, and I feel that they will help us get a justified increase through regular price-control machinery.

If the Congress does not go about an abortive attempt to secure price increases by legislation, I believe the necessary price increase for the maximum production of oil could be worked out. We should get the oil industry and the price-control officials together to realize that through a careful and selective adjustment of price to take care of the high-cost producers and hardship cases we can bring in the maximum production of oil.

USES WRONG METHOD

But, Mr. Chairman, I do not think it is for us to grant this request for a price increase, for we will be faced with another one tomorrow, another one the next day, and so on down as long as Congress is in session. When you give these succeeding price increases you will not be giving increases in real dollars. You are going to be effectuating these increases pretty soon in "two bit" dollars, and the people themselves who will get them will find they are not very far ahead in buying power when this cycle of inflation is completed.

It seems to me that the only way the oil industry can get a real price increase is through the regular machinery that is set up to handle all of these commodities. If they get it by this legislative method, others also will get it through the legislative process, with the result price advances will not have a real purchasing power increase, because every other industry in the country will be here soon to try it.

SHOP-AROUND METHOD

This bill proposes two things: One, it proposes that any commodity dissatisfied with the rulings of the Price Control Administration or the Stabilization Director, Mr. Vinson, can shop around the town and find a favorable administrator under which the Congress will transfer the control of prices. That means that soon we will transfer food control to the War Food Administrator, we will transfer control of wages to the Department of Labor, we will transfer control of prices to the Department of Commerce, and so on, and there will be no one individual who will be responsible for these growing increases in cost of living that are bound to occur.

FIXES UNCERTAIN PARITY

The second point in this bill presents a very new, interesting, and startling parity formula, so-called. It proposes to increase the price of oil by providing that no ceiling can be put on the price of oil until oil reaches the average price of all of the commodities in the wholesale price index.

If you do it for oil you are going to find other powerful groups in here insisting that what is sauce for the goose is sauce for the gander. Let us see what possible price adjustments this policy would mean.

These figures are from the December 4 All Commodity Index. They show that under this plan other products if given similar treatment—and they will be asking for it—the textiles products division would have to receive an increase of 5.6 percent; fuel and lighting materials, 20.7 percent; agricultural implements, 7.1 percent; iron and steel—and that is the biggest thing that Uncle Sam is buying today—would go up 7.7 percent under this so-called new parity formula if applied. Another interesting item is the nonferrous metals with a 17 percent increase; plumbing and heating supplies, 12.3 percent; cement, 9.2. Chemicals, another thing that the United States Government is buying in huge quantities, 6.4 percent. Fertilizer and materials, which people on the farms have to buy, 21.3 percent; mixed fertilizer, 17 percent.

SET STAGE FOR INFLATION

So if you go into this now, an unexplored parity price formula for one product, you can see that you set the stage for a new spiral of inflation. It seems to me the best way to do this, if we are in earnest in trying to help the oil industry, is to go about it in an orderly way. I grant you that many, many statistics given by my good friend, Mr. DISNEY, and others on the floor, are absolutely true, that the oil producer is in a squeeze, and that he needs relief. But this problem needs careful treatment in order to take care of these hardship cases. We will not be doing the oil industry a real service by passing this bill and saying, "We love you, oil industry." There will be a veto and when it comes back the veto will be sustained by the Congress. Then the oil industry will have wasted another 6 months under this fallacious reasoning. Instead of its price increase it will have received some congressional "love making."

Mr. DISNEY. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. DISNEY. What does my good friend from Oklahoma suggest? We have exhausted every remedy.

Mr. MONRONEY. I disagree with the gentleman that we have exhausted every remedy. When merit is on your side, and we have set up these various agencies to adjust and make possible these adjustments, right will always triumph and I do not believe we ought to pull the thing into Congress and ramrod it through such as this bill proposes to do.

Mr. RIZLEY. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Does the gentleman from Oklahoma believe that the price of oil should be increased?

Mr. MONRONEY. I believe the price of oil should be increased but it should be increased so that the increase will have a real dollar value rather than a two-bit value. When you bring in this bill and pass it, they will have no real increase when succeeded by other bills of this nature.

Mr. RIZLEY. The gentleman knows, does he not, that for weeks and weeks and months and months not only the people who are interested in the oil industry but people who are interested in the economy of this country, and if it would not be violating confidences I could say the most influential men in this House have gone to the O. P. A., to Mr. Vinson and others, and tried to get them to increase the price of oil, but he has refused to do so. Does the gentleman think when they have refused that the Congress must just do away with its entire responsibility and do nothing about it when the gentleman says it is necessary to have an increase in the price of oil?

Mr. MONRONEY. I say to the gentleman that our responsibility not only rests with the oil industry but it also rests with the millions of consumers who will be ruined by inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. In answer to the question asked by the gentleman from Oklahoma [Mr. DISNEY] and also the last question propounded, does not the gentleman think that a more orderly way of accomplishing this would be to recommit the bill back to the committee, let us have some hearings, let us have the people who are responsible for creating the conditions and who are complaining here today appear before us and see if we cannot reconcile the differences between these various groups and get to a scientific determination of this question in relation to the rest of our economy rather than through a haphazard attempt to do it on the floor of the House.

Mr. MONRONEY. I agree with the gentleman from Pennsylvania. You cannot treat price control as an unrelated series of prices because when you do the break in the dam for one price becomes a gigantic hole that lets the whole flood through. You will destroy wartime control by that type of treatment.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Did the gentleman state what the increase would be under the formula provided in this bill?

Mr. MONRONEY. My understanding is it would increase oil to around $2 a barrel from about $1.35 a barrel, far more than the 35-cents-per-barrel increase stated. This new so-called parity formula, which would unquestionably be applied to other commodities if Congress sanctions it for oil, would indeed be the most devastating inflationary step that any Congress has ever attempted to take.

Mr. RANDOLPH. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Let me preface my observation by saying that I follow usually the gentleman in his reasoning because he is sound. I feel, however, that today when we, as the Congress, are faced with a responsibility, we must discharge it as individuals and as a collective group. I make that statement because for more than 2 months the Petroleum Administrator for War has asked Judge Vinson, Director of Stabilization, for an alternate plan, and it has not been forthcoming.

Mr. MONRONEY. Is that not partly due to industry opposition to paying additional money for high-cost producers, not by the Stabilization Director, I may add?

Mr. BOREN. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. BOREN. On the question that was asked recently about holding hearings on this bill, does the gentleman know that the Petroleum Committee especially designated to that subject by the House has held hearings over a period of almost a year?

Mr. MONRONEY. But not on this bill to establish a new parity price formula.

Mr. BOREN. On the subject of whether or not the price of oil should be raised.

Mr. MONRONEY. But not on the transfer of authority out of Price Control and Stabilization Director Vinson to Secretary Ickes. That was not covered by the committee.

Mr. BOREN. The gentleman is correct.

Mr. MONRONEY. Was the new parity formula gone into?

Mr. BOREN. As long as a year ago, lacking about 20 days, your committee did recommend that the price of oil be increased and recommended it in a report I do not believe any man can read without seeing the justification for it.

Mr. MONRONEY. I do not argue with my colleague against the need for an increase in the price of oil. What I am trying to say is that by legislating an increase in the price of oil we destroy the price-control law. We begin that process here today if we formulate such a policy by Congress, in which event I fear that we have done the oil industry an irreparable damage as we would also do to the consumers of this country.

Mr. WRIGHT. There has been much said about other committees having made studies of this bill. I would like to remark that the committee responsible to this House for explaining and defending this bill has had no hearings and no opportunity to study it.

Mr. MONRONEY. I would like to add right there that these committees that have brought in reports have not brought in any legislation nor did they recommend going about it in this way.

Mr. COX. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. COX. I wonder if in the opinion of the gentleman any responsibility rests upon the Congress to give relief to this class of producers that have been given a raw deal by the administrative agents of the Government?

Mr. MONRONEY. I do not believe we can do it by legislative action without destroying innumerable millions of people who will be crushed by inflation.

Mr. COX. What form of relief would the gentleman suggest?

Mr. MONRONEY. I have suggested the relief that we can have: rehearings with the officers downtown, and with the information at hand that has been developed today, surely we can at least hope for common sense and equity in the solution of this problem.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WRIGHT. Mr. Chairman, I yield 1 additional minute to the gentleman from Oklahoma.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. PATMAN. It is understood, is it not, that if this bill is recommitted hearings will commence Friday and continue until a report is made back to the House on this measure?

Mr. MONRONEY. That is my understanding.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. REED of New York. The gentleman has talked about inflation. I cannot imagine anything more inflationary than a program of scarcity. If you do not produce the oil you will have inflation, and you will have it right.

Mr. MONRONEY. I agree with the gentleman that supply has a great deal to do with inflation, but I say that when you destroy price control, which this bill does, then you find yourself inviting the very spiral that is going to make your dollars worth quarters before this thing is through.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. DISNEY. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, having been convinced now for some considerable time that the cry of help from the Nation's oil producers, and especially the small independent operators, warranted serious consideration, I was among the first to sign the discharge petition which would force the Disney bill to be brought up for consideration by the House.

Due to the tremendous calls, on the one hand, upon the United States for oil and more oil, which a mechanized war such as this is naturally calls for, and due to what, on the other hand, I believe is a mistaken attitude on the part of Judge Vinson in not allowing what has been found by the War Petroleum Administrator to be a justifiable rise in price to take care of added costs and also to answer continued production, we are faced with two very serious problems.

First of all we are faced with the hard, cold fact that a slump in oil production at this time could seriously jeopardize the war effort, and, secondly, we can, or should be able to see, that if the problem is allowed to continue very much longer without a life line being thrown out to especially the small producer, that due to the rapid depletion of our petroleum reserves, which are being consumed much more rapidly than we are discovering new sources of supply, the home front will also suffer. In other words, for the successful prosecution of the war we must be assured of an adequate supply of oil not only for the fighting fronts but also the home-front needs must be met.

I doubt very much that any great number of people have a clear picture of the Herculean task of carrying on a war on 55 fighting fronts as we are now doing. For a clear picture of that almost miraculous job that is being done I recommend the reading of Fighting Oil, a remarkable and revealing work by Hon. Harold L. Ickes, Petroleum Administrator for War.

Mr. Ickes points out that nearly 2 out of every 3 tons of supplies sent overseas to our expeditionary forces are oil—that the gasoline supply for the military services in north Africa alone is on the basis of a planned requirement of 10 gallons per day per vehicle and that there are literally hundreds of thousands of supply trucks and armored vehicles belonging to the Allied Nations that are drawing on the United States for the major portion of their fuel supply. Then, too, undreamed of gasoline is needed for the thousands and thousands of bombers and fighters taking off every hour of the day to engage the enemy. Mr. Ickes goes on to point out that the British claim that a battleship on a short cruise will consume in the neighborhood of a million gallons of oil and that the consumption of oil by the British Navy is measured by tens of millions of gallons a week. What is true of England's Navy is not only true of our own but with the seven-ocean navy we will shortly have that figure will go up accordingly.

Georges Clemenceau, the old Tiger of World War No. 1, described petroleum to be "as necessary as blood."

Petroleum Administrator Ickes reechoed that thought when he quoted a New Mexico oil driller of long experience as follows:

> Being an oil driller since the last war hasn't blinded me to the fact that this war is going to be won with five essential things: Guts, steel, oil, groceries, and a lot of faith.

That the Nation's oil output is falling behind requirements has been repeatedly asserted. As far as Montana is concerned that is a fact.

On August 1 the Oil Conservation Board of Montana advised President Roosevelt that oil production in all Montana's fields has been 20 to 25 percent below market requirements for essential uses in Montana, Canada, Washington, and Idaho throughout 1943 and that a study of current reports of operations indicates no prospects for material improvement under present conditions. The board stated that crude storage stocks on August 1, were 300,000 barrels low as compared with the same date last year, which forecasts a serious shortage this winter when the usual seasonal slump in production must be expected. Records show that 74 percent of all producers operating in Montana's 10 oil fields have not commenced even 1 well this year and in only 3 of the fields have any wells been started. A total of 23 wildcat structure tests have been completed to August 20, 18 of which were abandoned. The board recommends as the only effective remedy, that the price ceilings be raised enough on crude oil at wells to assure all producers of the additional income required to finance new operations.

I think further figures on Montana's production will throw valuable light on this subject and I am sure Montana is the rule rather than the exception.

The figures of that board show that out of 201 registered oil producers in all Montana's fields on January 1, 1943, only 58 commenced new drillings up to November 30, which would indicate that 143 of them either did not have the money to pay for new wells or else didn't consider the risk as a justifiable chance. Of those 201 registered oil producers 194 were independent operators with 7 classified as big company or major operators. The 194 independents had a total daily production of 17,000 barrels and the 7 majors, 5,000 barrels, or 77 percent and 23 percent of all production, respectively.

On December 1, 1943, the record stood as follows: 23 of the independents out of 194 listed as active on January 1, had suspended operations or sold out, and left were 181 independents with a total of 10,970 barrels daily, and 8 major companies with a total of 11,666 barrels daily. So the present estimate of production ownership and control as divided between independents and majors is 48 percent in the independents—down 29 percent—and 52 percent in the major companies—up 20 percent—of all current oil production in Montana.

Now those figures are susceptible of no other interpretation than that the independents are in the process of liquidation and at an alarmed rate.

It is also of interest to point out that the remaining independents comprise a great majority of the stripper-well operators who are for the most part dependent upon the major refineries to market their product. Those refineries are now buying all the oil they can get and since they are buying at the frozen ceiling prices they are undoubtedly profiting by doing so. So that as far as the small producer is concerned the more oil he produces under the present conditions and sells at present ceiling prices the more surely and quickly he is liquidating his capital asset—oil under his land—and forcing himself out of business because he is not getting enough money for his product to build up any cost reserve for use in drilling new wells, or utilizing present known methods of "secondary recovery" designed to revive and stimulate production in oil wells.

Oil drillers are paid as high as $19 a day and while price ceilings have been set on pipe, no ceilings have been set on connections, which are necessary to equip a producing well, and the price of which has risen 100 percent since before the war. The cost of a 1,500-foot well before the war was $5,000, while now this same well costs $7,000. It seems very incongruous to me that oil with the place of importance it holds in this war, is not bringing any more than the $1.10 a barrel that it is now bringing when compared with other and less vital commodities. Why, eggs are selling for 71 cents a dozen in Montana. Evidently eggs are more important to the O. P. A. than oil. Some of these independents would find it more profitable to close down their oil well and get a few hens and go into the egg business.

Another factor which is working against the small independent oil producer, and which has been overlooked for the most part, is the type of lease he has to work under. In the usual form of lease it is provided that the lessee must drill offset wells against wells drilled on adjacent territory and if this is not done the lease is forfeited. Now, as I have tried to point out, in many cases the lessee is not financially able to drill these offset wells and as a result these operators are losing their leases and their investments made in former years in producing wells. This condition is one the major companies will quickly take advantage of and acquire the leases so forfeited.

It is needless to say that the present price of crude oil and the present cost of production will soon see the end of the 22 percent of independent oil operators in this country. Then you will have a controlling monopoly existing from the oil beds of the earth into the homes of every person. Thus no matter how much the big operator is benefited by such an action as contemplated here today I contend that its justification would rest upon the continuing of these small independents who would be materially benefited by this bill.

I therefore question Judge Vinson's finding that oil operators can and will continue to drill enough oil wells in proven producing areas to maintain present producing schedules without any additional price incentive. I also question his conclusion that new well drilling in wildcat areas will not supply any additional oil for 1 or 2 years.

Records in Montana fields in 1943 show that 3 wildcat wells have been completed to date in the deep sands of the old Elk Basin, Mont., field, each to a depth of approximately 5,000 feet, the first of which was commenced April 2, 1943, and by November 1, all 3 were supplying oil daily to the pipe line in total amount over 2,000 barrels average daily of good, refinable, crude oil.

The Gage structure was started in May of 1943 and completed in October of this year and some oil has already been shipped from the well into the Billings refinery.

The first commercially producing oil well in the Midway area was started in August of this year and is now producing considerable oil.

Within the past 28 years the independent operators have discovered all except four of the oil- and gas-producing fields in Montana of any commercial importance and I feel confident that many more good fields will be discovered and developed if the independent operators are not forced out of business by the unjustifiably low prices they are now receiving for their product.

In closing I would like to submit for the RECORD a very fine and highly informative letter I received on this subject from a man with a quarter of a century of experience in this game in Montana. It was sent to me under date of August 21, 1943, and reads:

Speaking as an independent oil man who has been 23 years in the game, I wish to present my viewpoint on this particular matter. It is very evident to me that these representatives of the various labor organizations do not understand the true situation and while it is a fact, as they point out, that 18 major oil companies' net earnings rose 10 percent over the corresponding period in 1942, this was due to increased turn-over and demand, but these organizations gave no consideration to the thousands of independent oil producers who derived no revenue except the price of crude oil while these major companies make their profit not from low-priced crude oil but from the sale of refined products. Let me suggest at this point that there is no more relationship between a barrel of crude oil and a gallon of gasoline than there is between a bushel of wheat and a loaf of bread. We, as producers, must take the price offered by the major corporations and they sell their products for all the traffic will bear. My contention is that the price of crude oil should be raised to keep these independents in business, while the price of all refined products should and could be held at their present level so that the consuming public would suffer no economic inconvenience. The majors would only lose on that portion of the oil that they purchase from the independents at an increased price.

Before the war the independent oil producers of the United States produced 52 percent of the production, leaving 48 percent for the majors. At the present time, due to the purchase of independent operators, the majors now control 78 percent of the oil production, leaving the independents only 22 percent, and this 22 percent will soon be wiped out unless we can get some relief from an increased price of crude oil.

Thus these labor organizations are only tending to help out a complete monopoly of the oil industry by from 18 to 35 companies, while thousands upon thousands of independents will be forced out of business, as we are now producing oil near or below the cost of production.

No doubt the majors have put out some propaganda about an increased price of crude, at the same time hoping that it would not be granted unless there was a corresponding increase in the price of refined products, which is very unnecessary. Right here in Montana we are paying 23 to 25 cents retail price for gasoline under the nose of the refinery and at the same time the market in Montana, which is dictated by the Continental Oil Co., insists on 18 cents a gallon delivered in any quantity from 1,000 to 6,000 gallons. This gasoline is produced from $1.10 per barrel crude oil and they make a recovery of approximately 80 percent, so it is evident that these major companies are receiving $7.72 for the gasoline from 1 barrel of crude, plus a small additional amount for fuel oil, distillate, and other products, which would undoubtedly bring the total revenue derived from a barrel of $1.10 crude up to $8 per barrel.

It is in the interests of the major oil companies to hold down the price of crude oil to drive these independents out of business. At the same time they are presenting propaganda to import foreign crude oil which is produced with cheap labor, water transportation, and these majors own and produce this crude oil in said foreign lands. This will help to keep the price down and create an additional monopoly in these United States.

You hear a world of propaganda about the lack of oil reserves in these United States. Personally I have heard this same story for the last 25 years, but with deeper drilling, more scientific methods of detection, crude oil will be produced in these United States until such time as other fuels will economically push it out of the picture. An example of this situation is the Elk Basin oil field in Wyoming and Montana, which has been under production since 1915 and very recently they tapped lower sands and the wells are producing from 1,200 to 10,000 barrels a day, and an estimate of these reserves cannot even be calculated. Wyoming as well as Montana has immense oil reserves that have not even been discovered.

During the past 80 years the independent oil producer has been the backbone of the oil business as the majors do not see fit to wildcat new territory, but they merely buy up the production and properties after they have been developed and proven. There is a move on now in Montana as well as every other State in the Union for these same majors to control by lease all possible prospective oil lands. In Montana recently these majors have leased up approximately a million acres of additional lands and they are going through the territory with a fine-tooth comb doing a world of wildcatting which eventually will be paid for out of taxes that they would ordinarily pay the United States Government in income tax, which will leave newly developed reserves in their hands at the expense of the United States Government.

I have no animosity against these major oil companies, as I have dealt with them over a period of years, but they should be required not only to live but to let live instead of forming the greatest monopoly that these United States have ever seen. The Rockefeller interests controlled the picture at one time and then were disintegrated to a certain extent but the industry has expanded to a point where the same condition exists and every district in the United States is controlled by the same major companies.

Let me plead with you to reconsider this increased price of crude oil and if the public sentiment so demands, hold the price of all refined products at their present level. This will give an opportunity to live and let live and the independent oil man will be able to carry on and do his bit toward the winning of this war as we are going all out, spending every dime we can get hold of to develop more production which we know is now being sold at or less than the cost of production.

Very sincerely yours,

E. B. COOLIDGE.

Mr. HARRIS of Arkansas. Mr. Chairman, at the request of the gentleman from Oklahoma [Mr. DISNEY] I yield 2½ minutes to the gentleman from Massachusetts [Mr. HOLMES].

Mr. HOLMES of Massachusetts. Mr. Chairman, I wanted these few minutes just to say a word in connection with this legislation. I am from an entirely consumer area. In my humble opinion, this is a serious problem, a problem that Congress must settle.

In 1935 this House passed a resolution authorizing the Committee on Interstate and Foreign Commerce to investigate then the conservation and waste of petroleum. Even in those days the thought was that we should husband our resources and not allow any waste of petroleum. Here we find ourselves in a position that should have been rectified 18 months or 2 years ago, where one person should have the authority of producing the oil to prosecute the war, to heat our homes, and to drive our ships, and also the authority to regulate price so that it would be an incentive to explore and wildcat new fields. If we do not do this now, we are going to be at the mercy not of the American producers but the foreign producers, and when they get us to that point price will be no consideration whatever. The situation will be comparable with that of the American people trying to buy rubber from the cartels that control rubber. They will control oil on the same basis.

This may amount to five-tenths of a cent increase in the price of fuel oil or gasoline to the consumer on the east coast, but that is insignificant if otherwise he cannot get the oil or the gas. However, the finding of new reserves and the production of a greater volume of gas and oil will to my mind offset that, and there should not be and will not be any increase in price on either fuel oil or gasoline to the American people.

Mr. HARRIS of Arkansas. Mr. Chairman, at the request of the gentleman from Pennsylvania [Mr. WRIGHT], I yield 4 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I am opposed to this bill. I know something of what the political consequences of opposition to it are. Oil companies are especially powerful politically in my State. But especially in the situation in which we now find ourselves I just cannot support it.

The gentleman from Montana said something about protecting independent producers. The main thing independent oil producers need is effective representation in the office of the Petroleum Administration for War.

The basic reason I am opposed to this bill is this. I think there are much more cogent arguments for giving control over food prices to the Food Administrator or for attempting to fix food prices by law than there are for giving control of oil prices to the Petroleum Administration for War or for raising oil prices clear across the board by act of Congress. I know perfectly well, however, that if we start this process on oil we logically must continue it with regard to commodity after commodity throughout the length and breadth of our whole economic system. Does Congress propose to undertake that? If so, we should do a thorough job.

In the next place, I do not personally believe that price is the major factor involved in the production of oil at the present time. I am convinced that there are at least three other factors of much greater importance and which will limit production even if the price were doubled. One of them is the steel shortage. Applications for steel for oil production have far outrun the amount that could be allocated up to this time by the War Production Board for that purpose. This has operated as an absolute check on increased oil production. Unless increased steel allocations can be made by War Production Board steel will continue to absolutely limit the number of wells that can be drilled.

In the second place, the 40-acre drilling rule promulgated by the Petroleum Administration for War has meant that even in proven fields where oilmen knew they could get oil they could not drill more than one well every 40 acres. It is in proven fields, of course, more than anywhere else, where for the minimum expenditure of critical materials increased oil production can be obtained.

Further, that ruling has played directly into the hands of the major oil companies, because in their case, with vast acreages under lease or ownership, it does not make very much difference, whereas in the case of the small operator the 40-acre limitation has in many instances forced him to drill off structure, so that he has many times gotten dry holes, whereas if he could have drilled independent of such a ruling he might well have brought in oil. Restriction of production by the 40-acre rule will not be ended by a change in price.

As a matter of fact, oil production today is at an all-time high peak. All things really necessary to get the maximum production must, of course, be done. But I do not believe this proposed over-all price increase is the answer. I agree that certain producers—mostly independents, stripper-well operators, and explorers—should have a better return. I want them to have it. But, I wonder how many Members know that the Office of Economic Stabilization instructed the Petroleum Administration for War to bring forth immediately a program for increased financial returns for the wildcatter, for the independent and high-cost producer, and for the stripper-well operator. No such program has yet been presented to the Office of Economic Stabilization. In my judgment the problem of getting increased income for the 15 percent of the industry can be solved without this general price increase. I am not against people making money. I want not only the independents but major oil companies to make money. But earnings in the industry except for the 15 percent of it I have spoken of are higher today than in any other year in history except 1941. So that an over-all price increase means giving a very large increased income to the major companies for them to use, in part at least, to increase their monopolistic control over the industry.

Now, Mr. Chairman, in the case of copper we did not increase the price of copper straight across the board and thus unnecessarily increase the profits to those copper companies which were making large earnings indeed at the 14-cents-per-pound price. Instead of that, in order to get high cost producers in a position where they could profitably operate, we pay a higher price to those high-cost producers. Some such program, Mr. Chairman, in my judgment ought to be used in the case of oil also.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I have not had time to say nearly all the things I wanted to say in this short speech.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. FORD. You have made the point that I have been stressing, if this thing had gone to the committee and been properly studied, all these angles would have been developed and this House would have known more about it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am a member of the Committee on Banking and Currency. I believe in orderly procedure. But a precedent has already been established. I have read that a precedent embalms a principle. Therefore I expect to yield today to this method of procedure. The O. P. A. has made such a mess of things. We created it, and we seem to be the ones to bear the burdens of their errors. Our people blame us and not the O. P. A., who are unknown to them and not accountable to them. Therefore, I intend, so far as I can, to remedy O. P. A. blunders, even to help take from them the power granted, which they have so grossly misused or failed to use. Gasoline is vitally important, not only to the military, but to civilians. They must have oil. This scare of inflation is greatly overdrawn—slight increases in prices are absolutely necessary to keep production moving. The real danger of inflation is soft-pedaled by the administration. Read the able speech of Mr. CRAWFORD on last Wednesday. You will then understand where the real danger lies. You tried to get inflation for 10 years. You cut the gold dollar in half and promised two dollars for one; you did most everything to bring about inflation. Now you are bellowing in the other direction to carry out political planning. This bill will do but little to bring about inflation. It will stimulate production. I am still my people's Congressman. I want to bring them relief and to act promptly. That is why I feel forced to vote for this unusual method of bringing legislation to the floor.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Chairman, if the Office of Price Administration will not establish a price for crude oil that will encourage additional oil production needed for our military and civilian use, there is but one remedy. Congress can and must pass this bill which provides for a parity price for crude oil.

It seems to me the O. P. A. is following a short-sighted policy by establishing and retaining a price for crude oil which is so low that the independent producer cannot replace his stocks without financial loss. Oil stocks are being depleted so rapidly that we are approaching the place where it is impossible to take care of the demand. We need more oil and gasoline—not less.

The present price policy of the administration will eventually lead to further restrictions in oil rationing. This is action in reverse, on a vital necessity of military and civilian oil requirements. Already there has been too much temporizing with an agency that would strangle our present economic system. We must have a supply of gasoline for transportation in areas where we do not have a network of railroads and truck lines. Gasoline must be available that will supply fuel for tractors and power equipment needed to produce the food for our Nation and our allies. We need fuel oil for our industrial and domestic use. A further reduction in the use of the automobiles and trucks on our highways will require the reorganization of the whole economic structure.

The solution is simple. It is amazing to me that steps have not been taken to solve it. In fact it is an indictment against the present New Deal administration. The Office of Price Administration is offering its usual remedy, namely, subsidy. A Government financed subsidy oil well drilling program would no doubt drill wells, but would it produce oil? We need a price for crude oil that will encourage private initiative; we need a price for crude oil that will save thousands of stripper wells which cannot operate on present price ceilings.

The increase in cost of labor and material in the oil industry has increased so much during the past 3 years that there is no incentive for new production. Present ceiling prices are set at about 60 percent of parity. This bill is so drawn that its approval would require the O. P. A. to set a parity price for oil based on the year 1926. This is not only fair and just, but also a sound approach to replenish our diminishing available oil reserve. Our people are willing to pay a slight increase in price for this commodity. An abundant supply of gasoline and fuel oil is necessary if we are to maintain our present domestic economy.

Mr. REES of Kansas. Mr. Chairman, I yield the balance of my time to myself.

Mr. Chairman, I have divided the 30 minutes of time allotted to me to other Members who wanted to have a chance to express their views on this subject. I have spoken on the floor of the House with respect to this important matter on numerous occasions. So I shall speak briefly.

Mr. Chairman, this legislation, in my judgment, is a war measure. We are discussing a war measure this afternoon.

It is not just a question of providing more money for oil producers. It is a question of increasing the production of a highly necessary strategic material needed for carrying on the war; for planes, and trucks and ships and other things, as well as to carry on our transportation, our farm operations and other things that must carry on during these crucial times. I say to you, it is a question of getting a greater supply of oil at a crucial time—to meet the ever-increasing demand for it. I am not talking about gasoline for unnecessary driving, but I am deeply concerned about gasoline to fly our bombers and to run our ships, our tanks, and our trucks.

Mr. Chairman, let us take a look at some comparative figures. According to a report of the Petroleum Administration for War, 32 percent or almost one-third of the output of gasoline goes to our armed forces and our allies. Fourteen percent goes to industries. Trucks and busses and taxicabs get 12 percent. Passenger cars use about 15 percent of all the output, and farmer operations only get 5 percent. We just cannot realize how much gasoline is needed for our armed forces. Mr. Ickes, Petroleum Administrator for War, in a statement a few months ago, said it takes an average of 600,000 gallons of high-octane gas for our armed forces every day. That demand is likely to increase in the next few months to 750,000 or 800,000 gallons per day. Now look at these figures: Four years ended December 1938, new reserve discoveries averaged 2,041,000,000. During the 4 years ending last December 1942, they averaged less than one-half that amount, being 941,000,000.

Mr. Chairman, we are going to have to increase the supply of crude oil, and we cannot wait too long about it.

Mr. Chairman, we are not advocating excessive prices for crude oil. Crude oil price is now almost the same price it was 5 or 6 years ago. It is only 60 percent of parity. We are not even advocating parity for it. In 1937 the average cost per barrel for each new oil well was $56.92. In 1941 it was $72.48. In the year 1943 it is approximately $207.69.

Mr. Chairman, this measure follows the recommendation of Mr. Ickes of 35 cents increase per barrel for crude oil and fixes a ceiling that cannot go beyond parity of other commodities. That ought to be fair.

Mr. Chairman, Mr. Vinson, Stabilization Director, to whom a request for increase was submitted in order to have an increase in the price of crude, said, among other things, that there is no law under which an increase would be permitted. This measure provides the law. It certainly cannot be inflationary when it increases the cost of gasoline about 1 cent per gallon.

Mr. DISNEY. Mr. Chairman, I yield myself the balance of my time.

My esteemed friend the gentleman from California [Mr. VOORHIS], said one reason oil was not being produced was because they had the 40-acre spacing. Well, bless you, the 40-acre spacing was on account of steel being short last year. They had to do it that way. Now the steel situation has eased up and the 40-acre spacing is relaxed. My friend from Oklahoma says that Judge Vinson said the P. A. W. ought to furnish a program. Now you know what that means. That is the belt on the chin. That is the idea of subsidy you all love so well. That is all that is involved, the fool idea of subsidies in the oil business; nonsense, nonsense. And all that is suggested here is delay, delay, delay, when we have less and less oil, when we need to drill more and more wildcats. Talk to me about subsidies. The Economic Stabilizer practically invited us to amend the law. Mr. BATES of Massachusetts said he did not like this idea of parity. Well, parity for farm products is already in the price-control law. Why shiver about that now? It is a reasonable thing. It has been well thought out. It has been thought out by oil men themselves, the independent oil men. The men who are having to struggle for their existence have thought that out and they prepared this bill and finally prepared an amendment which I am going to offer and which relates to parity. The country has been educated at 35 cents a barrel. The amendment I will offer provides for that, a minimum of 35 cents a barrel price raise and then a policy that will permit the O. P. A. or Mr. Ickes, if you leave it with him, to administer a policy of parity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, we have the promise from the gentleman from Kentucky [Mr. SPENCE], chairman of the committee, that if this bill is recommitted, hearings will be held upon it commencing Friday. We shall have the opportunity of listening to testimony from those people who are in favor of the bill and also from the various departments who will have the responsibility of carrying it into effect and maintaining our present price levels.

Mr. BOREN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. BOREN. Has not the committee had the bill since last June?

Mr. WRIGHT. Yes. And I might remind my friend that during that time the committee had the Commodity Credit Corporation bill and also had a bill to extend the F. H. A. We have been in constant session, morning and afternoon. Does not the gentleman trust the promise of the committee? Does the gentleman think this committee is trying to sit on this bill? I am sure the gentleman does not believe that. As a member of the committee, I feel certain no member of the majority or the minority desires to suppress this legislation. But, we want to bring it to the floor in an orderly fashion, after mature and deliberate consideration so that we may pass upon it in the proper manner, instead of in an ex parte fashion as we are doing this afternoon.

I intend to offer a motion to recommit. I want the House to believe me when I say that I do not offer that motion as a motion to bury the bill. I am offering the motion to recommit the bill in order to hold hearings on it and to report it forthwith. If it is the will of this Congress that we make different provisions for oil than for all other commodities, and by act of Congress, raise the price of oil, I shall abide by the will of the majority. However, as a member of the committee, until the House has information which will be afforded by these hearings, I think it is my duty and my obligation to resist this ill-considered action that you intend to take here today.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the powers and functions conferred by the Emergency Price Control Act of 1942, as amended, upon the Price Administrator, with respect to crude petroleum and the products thereof and derivatives therefrom are hereby transferred to the Petroleum Administrator for War, provided for in Executive Order No. 9276, issued by the President of the United States. In the fixing of prices for crude petroleum and the products thereof and derivatives therefrom, the Petroleum Administrator for War shall consider the necessity for exploring for crude petroleum and the maintenance of a competitive position in the petroleum industry and to that end no price ceilings for crude petroleum or the products thereof or derivatives therefrom shall be fixed or maintained by the Administrator below a price, the index of which is equal to the price index of "all commodities" as reported from time to time by the United States Department of Labor in its wholesale commodity price index for all commodities as determined by the Bureau of Labor Statistics.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 1, line 3, strike out lines 3 to 8, inclusive, and strike out all of line 9 down to the period.

Mr. REES of Kansas. Mr. Chairman, as the bill is drawn we are placing the fixing of prices of crude oil in Mr. Ickes. This amendment leaves it in the O. P. A. I realize there is a great deal of difference of opinion with reference to this question. There are some on both sides of the aisle who do not feel that Mr. Ickes should have charge of it. Others feel the O. P. A. may not be fair about it. I want to give the Members of the House a chance to vote on this amendment and determine where you want to put the authority.

As it stands at the present time, the price fixing on all other commodities is in the Office of Price Administration. This amendment requires the Office of Price Administration to fix the price of crude oil, as provided by the terms of the bill.

Mr. HOLMES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I am glad to yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Is not this the exact resolution that was signed by 218 Members of the House?

Mr. REES of Kansas. The way it stands now; yes.

Mr. HOLMES of Massachusetts. I should think that would be an indication of where they wanted it to go, instead of making a lot of amendments.

Mr. REES of Kansas. It may be. If the Members feel that way about it, it is all right with me. I am presenting the matter, because the question has been raised on both sides of the House, and a number of Members have suggested the logical place, after all, is in the Office of Price Administration. We have a law on the statute books that places the fixing of prices of commodities in the O. P. A. Under the present bill you would remove that authority to another agency. It may be more reasonable, after all, to leave the authority for fixing prices as provided in this bill, in the agency where the Congress fixed it in the first place.

I am submitting the amendment for your consideration. I suggest you vote this authority where you feel it is for the best interest of the country.

Mr. HOLMES of Massachusetts. Will the gentleman yield further, in view of the fact that I brought the subject up?

Mr. REES of Kansas. Yes; I yield to the gentleman. I am glad to have his opinion.

Mr. HOLMES of Massachusetts. Of course, I for one would never have signed that petition transferring it to Secretary Ickes, if I thought for a minute that the price was going to still be administered by the O. P. A., because nothing has been done for 18 months.

Mr. REES of Kansas. Very well. There will be an amendment offered which will require an increase of 35 cents per barrel. That may take care of the gentleman's position.

I now yield to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Do I understand the gentleman correctly that we now have before us in bill form a proposal which, among other things, would transfer the authority from O. P. A. to the Department of the Interior and Mr. Ickes?

Mr. REES of Kansas. That is correct, the Petroleum Administrator for War.

Mr. CRAWFORD. Yes; and the gentleman's amendment will correct the bill as here presented so as to leave the price-fixing authority in the office of O. P. A.

Mr. REES of Kansas. That is correct.

Mr. CRAWFORD. To which we have already given ample directions in laws previously passed along with an amendment which is to be offered by the gentleman from Oklahoma [Mr. DISNEY] that will place a minimum price increase on crude oil; in other words, we direct O. P. A. to place a minimum price increase of not less than 35 cents a barrel on crude oil.

Mr. REES of Kansas. That is correct.

Mr. CRAWFORD. If that is the gentleman's proposal I think it is one of the most constructive steps that has been taken here in Congress and I am in favor of his amendment.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is it not true, as has been stated, that Mr. Ickes was asked what he would do about this proposition by the Economic Stabilizer and has not yet made a report?

Mr. REES of Kansas. That ought to be explained, perhaps. The difficulty with that is, being fair to Mr. Ickes—and I want to be fair with him because I have a great deal of respect for Mr. Ickes with regard to the manner in which he has tried to deal with this problem. He has really tried to work it out in a practical manner, and has made some pretty clear statements. As I understand it, he has been requested to submit a plan for providing an increase in the crude-oil supply, but that it must be done without any increase in prices of crude oil. The only thing I can read into that statement of the Stabilizer is that he must do it by the payment of some form of subsidy, as near as I can tell.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Yes, I yield to the gentleman from Texas who has made a very informative statement on this bill.

Mr. LANHAM. In other words, this measure is in the nature of a mandatory direction with reference to the price of oil by reason of the great urgency for the production of oil and the amendment that the gentleman has offered will not interfere with the present governmental organization but leaves that directive to the agency which now controls prices.

Mr. REES of Kansas. The gentleman has stated the situation very clearly.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Texas who has also taken a great deal of interest in this problem.

Mr. THOMASON. Like my colleague from Texas, I want to support the bill that will come nearest to insuring a raise in the price of crude oil, but at the same time it occurs to me that O. P. A. as well as Judge Vinson have definitely and apparently finally said that under no circumstances, after full investigation to their own satisfaction, will they stand for an increase in the price. If that be true why not stand by the original bill? Secretary Ickes is our friend and favors an increase, so why this sudden change?

Mr. REES of Kansas. I appreciate the gentleman's viewpoint, but if we place a mandatory provision in the bill which requires that the price must be increased by 35 cents how can they escape complying with the mandate of Congress?

Mr. THOMASON. You are certainly putting it in the hands of those who say they have and will refuse to grant an increase.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished member from Georgia.

Mr. COX. I should like to ask my friend from Texas if there is the slightest doubt in his mind that Judge Vinson would violate any directive that this House might give him.

Mr. THOMASON. No, I do not doubt that for 1 minute; but O. P. A. has very definitely said, after study, that they are opposed to it; and my good friend, Judge Vinson, has done the same. I want legislation on this vital war measure, and have actively supported it from the beginning.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. DONDERO. What assurance have you or the House that O. P. A. will carry out the orders of the Congress? We gave them the Price Control Act to administer 13 months ago and that act certainly has not been enforced to the satisfaction of either the Congress or the country.

Mr. REES of Kansas. We make it mandatory. I do not know of any other way in which we can do it.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may have 3 additional minutes. I should like to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I will necessarily have to yield to the gentleman from Montana.

Mr. O'CONNOR. Supposing the gentleman's amendment is adopted by the House, will the power of fixing the price of crude oil rest with the Secretary of the Interior or not?

Mr. REES of Kansas. It will not under this amendment.

Mr. O'CONNOR. Who will have the power to do it?

Mr. REES of Kansas. The Office of Price Administration will have it and with the amendment to be offered by the gentleman from Oklahoma [Mr. DISNEY] it will be absolutely mandatory that the price be increased by 35 cents a barrel.

Mr. O'CONNOR. Then Secretary Ickes will be out of the picture.

Mr. REES of Kansas. No; he will still be in the picture as the Petroleum Administrator for War.

Mr. O'CONNOR. He is not in the picture at all now.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. There is a saying as old as the ages: "By their works ye shall know them." Can the gentleman think of anything in the past history of O. P. A. that would cause us to believe that they would act favorably now?

Mr. REES of Kansas. It is my opinion they will be required to act favorably to the extent of 35 cents a barrel under the bill as amended by the gentleman from Oklahoma [Mr. DISNEY].

Mr. LANDIS. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. LANDIS. Does the gentleman think it would be right for those of us who believe in a single food administrator to vote to leave it under O. P. A.?

Mr. REES of Kansas. I will leave that to the gentleman's judgeship. I do believe this situation is different from the one just mentioned by the gentleman from Indiana.

Mr. PRIEST. Will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Tennessee.

Mr. PRIEST. I wonder if the gentleman from Kansas will agree with me that the very fact the proponents of this bill now find themselves very much divided on a very important provision of the bill indicates the importance of recommitting it and holding hearings?

Mr. REES of Kansas. No; I do not think so. Not on the general intent of the legislation.

Mr. PRIEST. It occurs to me that it does.

Mr. CRAWFORD. Will the gentleman yield further?

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman will agree with me, and the House will agree that in the price legislation that has heretofore been approved, we have directed with respect to certain floor prices, you may say.

Mr. REES of Kansas. That is correct.

Mr. CRAWFORD. If I understand the situation correctly, the gentleman from Oklahoma is to follow with another amendment which directs the O. P. A. to place a floor that will be no less than an increase of 35 cents per barrel.

Mr. REES of Kansas. That is correct.

Mr. CRAWFORD. In doing that we meet the opinion of Mr. Vinson, who has said he wants further directions, or words to that effect.

Mr. REES of Kansas. We do to that extent, at least.

Mr. CRAWFORD. It seems to me this amendment straightens out the whole situation.

Mr. CURTIS. Will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Nebraska.

Mr. CURTIS. It is true, is it not, that the Petroleum Administrator for War is responsible for the production under our oil program?

Mr. REES of Kansas. At the present time; yes.

Mr. CURTIS. How can he carry that on unless we give him authority to follow through and see that he has a price structure to bring about production?

Mr. REES of Kansas. That is exactly what we are attempting to do, to arrange that price structure so he can carry on. And, incidentally, he suggested the 35-cent price increase.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DISNEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, we are confronted here with a practical situation. I have no pride of authorship in this bill. Further study of it has made me wiser. I have worked with gentlemen who understand these things.

Let me call your attention to the fact that last year when Chester Davis resigned he did so because of a collision of opinion between himself and higher authorities. He took the view that if he was to be Food Administrator he should also have the right to fix prices.

I would like to see this bill passed and become law. In my judgment, it is highly important that that be done. I am afraid, if we transfer this to Mr. Ickes, that will be an additional reason for a veto or for argument against the bill. Nobody else wants to come and take a position on it. I will. I am friendly to Mr. Ickes, I like him, but I say to you that, in my judgment, we better pass this bill and leave the price control in O. P. A. than to have a veto on it. With all due respect to everyone's opinion, and I have the deepest affection for Mr. Ickes, that is my judgment. I think Mr. Ickes is a very fine administrator, the best administrator in the Government, probably, with one or two exceptions. I take my hat off to men like him and Mr. Jones, who know how to select other men and delegate power to them to go and do the job. I do hate to make the admission, but I believe in the interest of getting the legislation passed, getting it through, and with the possibility of getting it signed, we better do it this way. No one has to follow my judgment, but I am ready to take a position, and that is the view I take of it.

Mr. GAVIN. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. This will determine, I would say, if we enact this legislation, and the O. P. A. bypasses us, whether or not the O. P. A. is going to run the country or the duly-elected Members of Congress are going to run the country.

Mr. DISNEY. Under the amendment I am going to offer, they will have to increase it 35 cents; then a parity formula is set up which, if necessary in certain fields, may permit it to go as high as 74 cents, a little less than 2 cents a gallon on gasoline. It could go that high. We have parity for farm products. Why not have a parity for oil? Keep in mind that is a ceiling that may be put on. Buyers would not have to pay the high price. The fact they permitted it to go that high would not make it compulsory for them to buy. The buyers will buy oil as cheaply as they can.

Mr. CRAWFORD. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understood the gentleman correctly, his amendment has a proviso in it which will direct an increase in price of no less than 35 cents?

Mr. DISNEY. Yes; the country has been educated to a 35-cent increase. In addition there is the parity policy.

Mr. CRAWFORD. It would leave the O. P. A. with the power to do the proper thing in certain fields if it found it necessary to do so?

Mr. DISNEY. Yes.

Mr. CRAWFORD. We have had an experience like that in the Guffey Coal Act.

Mr. DISNEY. There are various grades, types, and kinds of oil at varying prices. Pennsylvania oil brings $3 right now. It is high in price.

Mr. WRIGHT. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Does the gentleman mean to say that a different price increase could be given to different producers under his amendment?

Mr. DISNEY. That is not a good way to say it. The best way to say it is competitive conditions and grades of oil create different prices. Transportation differences make a difference.

Mr. WRIGHT. But there is a directive to increase all oil at least 35 cents in the gentleman's bill?

Mr. DISNEY. Yes. There is no dispute about that.

Mr. REES of Kansas. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I have the highest respect and regard for Mr. Ickes as Petroleum Administrator for War. He is trying to do a good job and I think if the situation were different he might handle it differently.

Mr. DISNEY. I know how I would do it if I were handling it. But we are confronted with a condition, not a theory.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us who are in favor of this bill, we who actually believe that if the economy of this country is to be preserved and if we are to obtain sufficient production of oil to guarantee a sufficient supply of petroleum products to carry on the war and the economy of civilian industry, we must increase the price of oil, not get disturbed now and divide forces against the crowd who are here to defeat this legislation. I watched the strategy over there of the gentlemen who are so jealous of the fact that they want their committee to now consider this bill. They have had the bill for months, without considering it. Now that we are about to pass it they are much exercised. It is passing strange that every member of the Committee on Banking and Currency who spoke about being so jealous of the jurisdiction of that committee and the functions of that committee—and I am jealous about committee functions, too—is against the bill. They are against an increase in the price of oil. They want the matter handled through subsidies. Those of us who believe that this price increase is necessary and that that is the proper way to handle this economic question, rather than to treat it as they want to treat it, namely through subsidies, believe that this bill should be passed now.

My good friend the gentleman from Oklahoma [Mr. MONRONEY] said, "Send it back to the committee." I asked him on the floor, "Are you in favor of an increase in the price of oil?" He said, "Yes," he believed he was. Then my colleague the gentleman from Oklahoma [Mr. DISNEY] asked him, "Well, what do you suggest?" He said, "Send the bill back to us, and we will talk to Mr. Vinson some more about it."

They have been talking about it for months and months. Mr. Ickes recommended that the price be increased, and everyone who knows anything about the oil industry and what is necessary to secure increased production has recommended that the price be increased, and the O. P. A. has refused to do it. These gentlemen who now are clamoring to send the bill back to their committee know they are going to continue to refuse to do it. What they want is a subsidy program.

I am going to support the amendment offered by the gentleman from Kansas, but I say to you, who, I think, understand what is going on—I did not need to warn you—do not be fooled by this strategy over here of the gentlemen who want subsidies for the oil business, of trying to divide the forces who knew what they wanted when they signed this petition for discharge. Let us put this bill over this afternoon and not send it back to some committee so that they can fool around with Mr. Vinson until they finally bring before the country a subsidy for another industry. They want subsidies for everything down there; do not be fooled about that.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I just want to remind the gentleman that the same committee in which he has no confidence recently reported out a bill against subsidies.

Mr. RIZLEY. I refuse to listen to that kind of talk. I have confidence in the gentleman's committee and I have confidence in him.

Mr. WRIGHT. Then why does the gentleman say we are trying to rig the bill?

Mr. RIZLEY. You stand for one policy, a policy of subsidies. I am against that policy and I think the 218 or 220 men who signed this petition are against that policy. They want to get increased production through a price increase instead of subsidies. I respect the gentleman. He has a right to his opinion.

Mr. WRIGHT. I want the gentleman to realize that the majority of the Committee on Banking and Currency are against subsidies. I am for them, but they are against them. So why not give them a chance to consider the bill? Do not be afraid of the committee.

Mr. RIZLEY. I have not heard anyone from the Committee on Banking and Currency except those who favor subsidies saying they want the bill back before the committee for further consideration. No one has said so this afternoon.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DISNEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, I am in favor of doing something for the oil business in order that we may get more oil. I am not at all interested in recommitting this bill to the committee. They have had it since last June, 6 months, and they have known for the last 3 months of the move that was on to bring out this bill. I know that a number of them are certainly familiar with the chaotic conditions now existing in the oil business, yet nothing has been done. If we recommit the bill and they follow the line they have heretofore followed—and the only way we know to judge the future is by the past—it will be 1956 before they get through satisfying themselves with their hearing on this matter, for every one of the members of that committee who speaks on the bill is against it.

Mr. Vinson, the stabilizer, in setting aside the request of Mr. Ickes, admitted the necessity for an increase in the price of oil, but, as has been stated heretofore on the floor of the House and as I reiterate, he wants to help the situation by taking care of present and future production by the subsidy method.

Some people do not like subsidies. Some oilmen do not like subsidies. I came to Congress opposed to subsidies. I spoke against subsidies here. I can see in special instances, especially in trying times like we are going through now, that they might be necessary, but a great many independent American people feel that subsidies are nothing more nor less than a dole. Those people are too much American to want to take a dole to help them out. They would rather go out and paddle their own canoe and make it their own way.

Oil is ammunition. We all know that. It is necessary for us to have more oil in the future. It has been shown that our reserve is being depleted, and unless this situation is remedied, the present price is prohibitive to proper development, and the situation may reach a calamitous stage.

Let us take the independent oilman in whom I am interested, because he is the pathfinder; he is the trail blazer in the development of the oil business in going out and finding the oil. The majors are not interested very much in that. So, I am interested in this man who has given his life in that occupation that has meant so much in the development of our country and has meant so much to the winning of this war. What condition is he in today? Wages have increased, not 35 cents, but 170 percent. The material he has had to buy has increased not 35 cents, not 50 percent, but 150 percent. He has been placed under the Wages and Hours Act in the oil business. It is more destructive in the oil business than any other occupation in the world. It is almost impossible for him to carry on in that business and work under the Wages and Hours Act, as they are required to do. This, taken together with the low price of oil, has put many of them out of business. More are yet to go unless they get some relief. Thousands of them have already gone out of business. Thousands more will go. If we had this increase in the price of oil, at least 20,000 stripper wells would now be producing a small amount of oil, which would be of material help to us at this time. When you put the independent oil companies out, then you are going to leave it in the hands of the majors solely. I do not need to tell you what the result will be in a few years. Common sense will tell you that.

The CHAIRMAN. The time of the gentleman from Texas [Mr. RUSSELL] has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in the closing moments of this debate I want to call the attention of the Members to a very serious situation concerning the amendment offered by the gentleman from Kansas [Mr. REES] and the proposed amendment to be offered by the gentleman from Oklahoma [Mr. DISNEY].

I have given months of study to this problem. I want to say just this thing, particularly to the people representing the consuming areas of the country. The amendment offered by the gentleman from Kansas [Mr. REES] simply provides that this matter shall be left in the hands of the O. P. A. That will be followed by an amendment to be offered by the gentleman from Oklahoma [Mr. DISNEY], which establishes a parity price. The recommendation of the Petroleum Administrator today is an increase of 35 cents per barrel. If we establish a parity price, and that is the direction that is intended to be given to the Office of Price Administration by the Disney amendment, then the price of oil will be increased 75 or 80 cents per barrel according to word I have just received from the Office of Petroleum Administration for War.

I have discussed this problem all over the East over a period of many months. Something ought to be done about it. I believe there ought to be a price increase granted. I firmly believe that if we pass this bill with the Disney amendment and the amendment offered by the gentleman from Kansas, we are just getting into a lot of deep water by placing a parity price, which will bring about an increase, not of 35 cents a barrel, but an increase, according to the Office of Petroleum Administration of 75 or 80 cents per barrel. I do not believe the Members of this House want to do that.

I am going to offer an amendment that this matter be placed in the hands of the Petroleum Administrator for War, his recommendation to be approved by the President. I hope this amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MURPHY. Mr. Chairman, I have heard so much about oil that it seems to me we ought to have a little more oil on the legislative machinery of this Congress. Here you have a situation of a group in Congress saying that they want to take the functions of a committee from the committee, and they want to give control to the O. P. A., but they want to control the O. P. A. in what the O. P. A. shall do. It seems to me that this is piecemeal legislation. It is unwise. It is not statesmanlike. It is bad legislative procedure.

Mr. CALVIN D. JOHNSON. Mr. Chairman, I am one of those individuals, who along with 217 others, signed this original petition. I want to register my opposition to this amendment, as it would permit control to remain in the Office of Price Administration. Eighty-six thousand small businesses have gone out of existence in the past year, thousands of them because of the attitude of O. P. A. toward profit.

They do not seem to realize that when you destroy in America the incentive to accumulate, you destroy the initiative that built this country. I think that at the time the O. P. A. was created it was the intention of Congress that it control prices and not profit. But that has not been its policy. The only Administrator I find in Washington, who has a complete knowledge of the effect of price fixing on the petroleum industry, is the Secretary of the Interior. We were under the impression when we signed the discharge petition that pricing was to be placed in his hands. Let us keep faith with the signers by keeping it there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 72, noes 42.

So the amendment was agreed to.

Mr. DISNEY. The adoption of the amendment just considered makes it necessary to offer a perfecting amendment, on page 2, line 1. I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: On page 2, line 1, strike out all of line 1 and insert in lieu thereof the following: "as provided under the Price Control Act of 1942, as amended, consideration shall be given to the."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

Mr. DISNEY. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: On page 2, line 4, after the word "end" strike out the rest of line 4, all of lines 5, 6, 7, 8, 9, and 10, and insert, "shall give consideration to the parity prices as indicated by the relationship between the index based on the national average price of crude petroleum and the index of all commodities as reported by the United States Department of Labor, Bureau of Labor Statistics, in its wholesale commodity price index based on the year 1926: *Provided, however*, That such ceilings shall not be fixed or maintained at less than 35 cents per barrel above the present respective price ceilings for crude petroleum. Concurrently with the establishing of maximum crude petroleum prices as provided herein, maximum prices for petroleum products shall be increased sufficiently to compensate for additional prices paid for crude petroleum."

The CHAIRMAN. The gentleman from Oklahoma [Mr. DISNEY] is recognized for 5 minutes in support of his amendment.

Mr. DISNEY. Mr. Chairman, as one who has spent a great deal of midnight oil on this bill and who has worked most earnestly on it to try to bring a fair bill before the House, I assure you that this represents the best thought and consideration that can be given to this legislation from the standpoint of those who are interested in a fair price for crude petroleum. I doubt if there is any other way of doing it. When it goes to the Senate and goes to conference, it will be thought out thoroughly, and this is what is bound to emerge if you want to do what we have been talking about here today.

Let us remember, too, gentlemen, those of you who are especially interested, that this is the first step of this bill. The next step is the Senate, and then the conference has to settle the differences between the two Houses. So this is one step; and if it takes any concession on the part of anybody now, remember we have two other considerations to be given to it. In short, what this does is this: It does what the country has been educated to for the last 5 or 6 months. It fixes 35 cents as the lowest price raise that the O. P. A., as the bill now stands, can embody in any order. Then it furnishes 35 cents a barrel minimum, as recommended by the Petroleum Administrator for War, who has studied this thoroughly. It fixes a floor of 35 cents a barrel on what the O. P. A. can do. And this is one of the things you want. But that is not sufficient in this legislation. Not that we do not need more of a price, not that we do not need a higher price; I think we do, I think the minimum ought to be 50 cents a barrel, or maybe 60 cents; but the public has been educated to 35 cents. Now, the rest of this language on parity provides that the O. P. A. must consider two things: First, it must consider one definite thing; that is to say, the relationship between two things, the relationship between the crude-oil index and the all-commodity index, both of which are kept by the Bureau of Labor's Statistical Department. That is what is involved. Remember that the floor limit, the extreme price raise that they can permit to be had, is 74 cents a barrel on that. That is the extreme. That does not mean anybody buying oil has to pay 74 cents more. Competitive conditions will take care of that kind of situation—maybe not in Pennsylvania for their extraordinary oil, where you have to pay more and pay the 74 cents. In California you would not have to pay it. Competitive conditions would take care of that.

Mr. DONDERO. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. DONDERO. Translating that floor price and the high price you have mentioned into the price for the increase to a gallon of gasoline, what does it mean to the average citizen of the United States?

Mr. DISNEY. It means less than 2 cents a gallon.

Mr. DONDERO. That is what the country wants to know.

Mr. DISNEY. And you motorists are using less than 15 percent of the oil.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. BATES of Massachusetts. Is it not true the Petroleum Administrator's recommendation of 35 cents a barrel increase is an average increase?

Mr. DISNEY. I think so, yes.

Mr. BATES of Massachusetts. Is it not true under the parity formula that increase would be double 35 cents, or 70 cents to 75 cents or 80 cents?

Mr. DISNEY. May I say to my good friend from Massachusetts the possibility, I do not think that I answered you correctly, that 35 cents was a uniform price increase. If you get into uniformity——

Mr. BATES of Massachusetts. I did not use the word "uniformity."

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BATES of Massachusetts. My question was whether or not the recommendation of the Petroleum Administrator of 35 cents was not an average increase of 35 cents a barrel.

Mr. DISNEY. I am not sure I understand what the gentleman means by an average—an average, over-all, yes; but that means there would be different prices in different fields for different grades.

Mr. BATES of Massachusetts. But the average increase would be 35 cents a barrel.

Mr. DISNEY. Yes; and in Montana my information is that it would not be that, that it would be only 21 cents.

Mr. BATES of Massachusetts. Under the parity formula the gentleman is setting up in his amendment is it not true that the increase if the parity formula is approved by the Office of Price Administration will mean an increase instead of 35 cents a barrel of 75 or 80 cents a barrel?

Mr. DISNEY. No; 74 cents, to be exact.

Mr. BATES of Massachusetts. That is right; that will be the average.

Mr. DISNEY. Now, wait a minute. That means that is the limit of the ceiling they could place; that does not mean the buyers would have to pay it; no; it does not mean they are compelled to pay that. That resolves itself into a different proposition. It may be possible up in Pennsylvania where oil is so valuable that they would raise the price 74 cents, but not so in other fields from my experience.

Mr. BATES of Massachusetts. We are speaking about the average parity over the country.

Mr. DISNEY. Now let me ask about parity: What is so wrong about parity so far as oil is concerned? You heard today and have seen from these charts that it is at the very bottom of the barrel. The House of Representatives passed a bill fixing parity for farm products. What is so sacred there and so sacrosanct here?

Mr. BATES of Massachusetts. I do not know, in answer to the gentleman, but I do know that the Petroleum Administrator for War has recommended 35 cents a barrel increase.

Mr. DISNEY. Yes.

Mr. BATES of Massachusetts. I know the industry generally has accepted that as being fair. Of course, some want it more, but under the gentleman's formula he is setting up a parity which means an average increase according to the Deputy Petroleum Administrator for War, Mr. Davies, of from 75 to 80 cents a barrel.

Mr. DISNEY. The average ceiling, yes; all over the country.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. REED of New York. Mr. Chairman, I do not want to make a speech in the time of the gentleman from Oklahoma, but while we are worrying about this so-called parity price the important thing—and we must not lose sight of it—is to get the production of oil and take no chances on this war.

Mr. DISNEY. And price is what will produce oil.

Mr. REED of New York. Here is one other thing we must remember—there are 113,000 stripper wells.

Mr. DISNEY. No; the gentleman is mistaken. There are about 300,000.

Mr. REED of New York. I am talking about the East. They require more money to carry on the secondary operations in order to get this valuable oil.

Mr. DISNEY. Yes.

Mr. REED of New York. So price is the important factor.

Mr. DISNEY. The gentleman is correct.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield at that point?

Mr. DISNEY. I yield.

Mr. SUMNERS of Texas. If these stripper wells are not kept in production, their possibilities of production go out of the picture.

Mr. DISNEY. Oh, they are gone; if they are once closed, they are gone.

Mr. SUMNERS of Texas. Here is the concrete proposition as I understand; it is impossible to operate these stripper wells at the price they are getting for crude oil.

Mr. DISNEY. Many of them.

Mr. SUMNERS of Texas. And if they do not continue to operate, then the possibility of using the oil that could now be produced from those stripper wells really passes out of the picture.

Mr. DISNEY. It is gone forever.

Mr. SUMNERS of Texas. It is a permanent loss.

Mr. DISNEY. It is a permanent loss.

Mr. LAFOLLETTE. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. LAFOLLETTE. As a matter of fact, as I read the amendment, it states that the O. P. A. shall give consideration, too.

Mr. DISNEY. Yes.

Mr. LAFOLLETTE. There is nothing mandatory in that language is there?

Mr. DISNEY. It is intended to be advisory: "Shall give consideration."

Mr. LAFOLLETTE. Yes, "shall give consideration." The language is not that it shall allow the parity price.

Mr. DISNEY. No; the mandatory thing here is 35 cents a barrel.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. WOODRUFF of Michigan. I want to ask the gentleman from the great State of Oklahoma which he in part represents whether or not he believes what we put in this bill will be carried out by the O. P. A. if it is sent back there, under the circumstances?

Mr. DISNEY. With a mandate from Congress, surely it will.

Mr. WOODRUFF of Michigan. May I say to my fine friend from Oklahoma that the O. P. A. has been operating under suggestions from Congress from the beginning of their life and up to date they have shown no desire so far as I can see to meet the wishes of Congress.

Mr. DISNEY. It seems to be in more successful hands now.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. O'CONNOR. Is it not a fact, however, and is not this one reason why the parity formula is written into the bill. A lot of times production almost ceases in the shallow wells. Then it takes a terrific cost to go deeper. In my own State and in Wyoming we have the situation of fields being practically abandoned. A well might have been sunk a distance of 5,000 feet. Today we have a potential field for 300,000,000 barrels of oil which may be developed at a higher cost on account of the depth of the well.

Mr. DISNEY. Yes.

Mr. GAVIN. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Explain to the Members of the House in connection with parity that the price of oil was not all the same in 1926. Texas oil might have been 75 cents a barrel and Pennsylvania oil may have been $1.75. This 74 cents is not an over-all for everything. It would take in the smaller fields.

Mr. DISNEY. That would be the limit to which they could go.

Mr. LANHAM. Will the gentleman yield further?

Mr. DISNEY. I yield to the gentleman from Texas.

Mr. LANHAM. With reference to the statement made by the gentleman from Texas [Mr. SUMNERS] it has not been mentioned in the debate, but should be, that in the aggregate the stripper wells yield a very large volume of production.

Mr. DISNEY. Half of the consumption of oil in the United States comes from new or practically new wells and the other half from strippers. When the strippers go out they are gone forever.

Mr. PLOESER. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Missouri.

Mr. PLOESER. In the gentleman's amendment he has put a floor at 35 cents above the present price.

Mr. DISNEY. Yes.

Mr. PLOESER. That amounts to 80 percent of parity?

Mr. DISNEY. Yes.

Mr. PLOESER. In order to keep this amendment in conformity with the practice of the House heretofore in its methods of handling the Price Control Act, I wonder if the gentleman would not consider an amendment to the amendment, first restating the language and stating 80 percent of parity as the floor.

Mr. DISNEY. This is all I have. I do not know how to fix up anything else.

Mr. PLOESER. And, second, eliminating the last sentence.

Mr. DISNEY. The gentleman better do that in conference with the Senate. This is all I have. I have studied it for a week and I cannot do any better.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I offer a substitute for the pending amendment.

The CHAIRMAN. Does the gentleman desire to offer an amendment to the pending amendment?

Mr. BATES of Massachusetts. A substitute for the pending amendment.

The Clerk read as follows:

Mr. BATES of Massachusetts offers a substitute for the Disney amendment, as follows: Page 2, line 4, after the word "end", strike out the rest of line 4 and all of lines 5, 6, 7, 8, 9, and 10 and insert in lieu thereof the following: "*Provided, however,* That such ceilings shall not be fixed or maintained at less than an average of 35 cents per barrel above the present respective price ceilings for crude petroleum."

Mr. BATES of Massachusetts. Mr. Chairman, the purpose of my amendment is simply to strike out the parity provision of the Disney amendment. It seems to me that we are getting into a lot of hot water in advocating a price formula for fixing of prices on petroleum products at double the amount which the Petroleum Administrator for War has already recommended.

Many Members of this House have served on a number of special committees. For over a period of 5 months I have served on one of those committees. I have gone along with the Petroleum Administrator for War and his recommendation of 35 cents a barrel feeling that that would stimulate and be an incentive for the development of new fields and the building up of a reserve of oil throughout the country. I feel that we can go along with the Disney bill as it was withdrawn from the committee because the gentleman from Oklahoma [Mr. DISNEY] recommended that this matter be left in the hands of the Petroleum Administrator for War. He now comes along, following the amendment offered by the gentleman from Kansas [Mr. REES] which was adopted by the committee, and wants to keep it in the hands of O. P. A. which over a period of many months has refused to approve the increase suggested by Mr. Ickes.

The controlling factor, as I see it, and the very purpose of the Disney amendment, is to create parity based on the cost of commodities as of the 1926 figure. I have just discussed this matter with the Office of Petroleum Coordinator. I asked a member of his staff just what it would mean to increase the price that much and he came back with the words that such a parity payment, even by direction of Congress, and it is an implied direction by the words of the Disney amendment, must be applied to the increase in price of petroleum products. The Office of Petroleum Coordinator informed me that the parity formula would bring about an increase of 75 to 80 cents a barrel.

Many of us in the great oil consuming areas of the country want to go along with the Petroleum Administrator for War. His recommendation of an increase of 35 cents has been generally accepted by the oil industry. I know because I have attended many meetings throughout the country, and I have traveled in many States throughout the country. I have discussed the question with all phases of the oil industry and while it is true they would like more than 35 cents they were generally agreeable to the 35 cents recommended by Mr. Ickes.

There seems to be a feeling of confidence in Mr. Ickes. My amendment simply provides that even though it is kept in the hands of O. P. A. as provided by the Rees amendment, adopted by the committee, the average price that will be given will not exceed 35 cents a barrel.

Mr. MUNDT. Will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from South Dakota.

Mr. MUNDT. In other words, the gentleman's amendment will put the force of Congress behind the recommendation of Secretary Ickes and demands that the O. P. A. carry out the suggestion he has made as essential to the production of sufficient oil?

Mr. BATES of Massachusetts. That is precisely the purpose of my amendment, it maintains a constant level and, as far as the Members of this House are concerned, it saves them a great deal of Nation-wide criticism.

Mr. DISNEY. Will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. DISNEY. The gentleman has stressed the increase in price heretofore. He does not want to give the House the impression the increase of 75 cents a barrel is mandatory under the parity provision of this amendment? That is not the necessary implication.

Mr. BATES of Massachusetts. There is an implied direction in the language of your amendment that the Office of Price Administration shall give consideration to the parity price. If the gentleman did not intend that they should do that, he should not have offered the amendment.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to get one or two things straight. In the first place, the 40-acre drilling limitation is still in effect except in one or two small areas, in spite of a statement to the contrary here on the floor a short time ago. That is a real limitation on production in many instances. In the second place, the gentleman from Oklahoma spoke about competitive conditions keeping prices down. Does not the gentleman know gasoline is rationed, that millions of people stand ready at this moment to pay any price at all if they could secure more gasoline or more of other petroleum products? Furthermore, does anybody seriously think that competitive conditions determine the price of oil in America? I for one do not. Standard Oil together with a few other major companies have controlled those prices for years.

Further, on the general proposition that we can restore competitive conditions in the middle of this war and rely upon supply and demand to operate and control our economy, I do not think reasonable people can expect that to happen. The whole economy of the United States has been twisted completely out of shape by this war. How could it be otherwise?

This is what we are up against in this bill, as I see it. Congress is attempting to legislate as to what the price of a certain commodity is going to be. Obviously, if Congress is going to do that with one commodity it must do it with other commodities. I voted against the prohibition against using subsidies as a means of keeping food prices from rising. I did it with some reluctance. I thought some of the arguments against those general subsidies were forceful. Indeed, had the really poor, fixed-income group of people in this country been protected in some effective manner, such as by a stamp plan, I might have voted differently.

Certain it is that if you are going to vote a bill to increase by congressional action the price of petroleum when that price increase is needed by no more than 15 percent of that industry at the outside, you are in duty bound to pass legislation regulating the price of other commodities as well. Perhaps we are going to come to the place where we have to do it. In this instance the choice is here. If you pass this bill there will be a general over-all increase in petroleum prices. If you do not the Petroleum Administrator and other people in charge of this program are going to have to come in with the kind of program that the Office of Economic Stabilization has already told them to come in with, namely, a program of direct financial incentives to high-cost operators of stripper wells and to wildcat explorers.

You say you do not like subsidies. Neither do I. Neither do I like war or people getting killed all over the world. But I tell you, it is not reasonable to say that an industry which today is making more money than it ever made in history, after taxes, except for 1 year, has to have a general over-all increase in prices like this. And that statement applies to many of the independents as well as to major companies. I do think the high-cost producers have to have help. I am frank to say I think it ought to come by some means similar to that used in the case of copper. We could have increased the price of copper to

Anaconda, Kennicutt, and Phelps Dodge to 17 cents if we had wanted to, and then said excess-profits taxes would take back part of the increased profits. But we did not. Instead, we said, "There are certain high-cost producers who can, with increased returns, bring in production we need now, and we are going to go directly to them and bring them into production by giving them a price of 17 cents a pound."

There was Member after Member on the floor in the subsidy debate on farm commodities who said, "What we ought to do instead of subsidizing the whole of the United States is to subsidize those low-income people who really need it." I think there was much in that argument, but if there was, Mr. Chairman, the same argument applies with equal force to the instant bill.

To illustrate the fact that the great bulk of this industry does not need this price increase, I ask to include herewith tables on earnings of the major companies and those independents which publish statements:

Statement of earnings before and after income taxes of 26 crude-oil producing companies, years 1936–42

[000 omitted]

Name of company	Fiscal period ended	1936		1937		1938		1939		Average 1936-39		1940		1941		1942	
		Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes
Amerada Pet. Corporation	Dec. 31	$2,119	$1,984	$2,532	$2,400	$1,707	$1,634	$1,297	$1,231	$1,914	$1,812	$1,893	$1,776	$2,770	$2,570	$3,572	$3,272
Bishop Oil Co. (California)	do	219	178	369	320	48	46	[1]	[1]	159	136	24	23	69	55	96	74
Darby Pet. Corporation	do	444	444	478	478	244	244	11	11	294	294	394	394	808	750	1,022	753
Devonian Oil Co	do	824	777	1,040	1,021	563	552	506	506	733	714	406	374	820	804	626	584
Eason Oil Co	do	142	123	(25)	(25)	(85)	(85)	(127)	(127)	(24)	(29)	(52)	(52)	118	65	116	96
Honolulu Oil Corporation	do	1,116	1,071	1,193	1,181	964	949	814	809	1,022	1,003	907	907	1,101	1,101	1,615	1,592
Houston Oil Co. of Texas	do	491	486	1,787	1,651	1,552	1,448	1,090	1,010	1,230	1,149	1,044	871	1,620	1,353	1,831	1,149
Louisiana Land & Exploration Co	do	1,976	1,901	1,945	1,727	1,472	1,327	681	648	1,519	1,401	1,020	858	1,647	1,327	1,598	1,100
Midwest Oil Co	do	421	344	1,038	945	1,021	932	1,078	990	890	800	1,021	882	925	776	951	702
North American Oil Consolidated	do	380	376	404	370	277	249	359	309	355	326	218	184	207	170	177	138
North Central Texas Oil Co., Inc	do	80	70	157	134	105	90	83	73	106	92	113	93	96	78	78	65
Pacific Western Oil Corporation	do	1,732	1,582	1,489	1,389	1,267	1,217	864	814	1,338	1,251	(213)	(213)	524	438	755	790
Penn Valley Crude Oil Corporation	June 30	43	43	37	37	65	60	(3)	(3)	36	34	(36)	(36)	(184)	(184)	(33)	(33)
Plymouth Oil Co	Dec. 31	1,816	1,740	3,154	2,935	2,819	2,609	2,680	2,475	2,617	2,440	1,582	1,443	1,613	1,547	2,202	1,774
Republic Petroleum Co. (California)	do	121	114	245	233	123	111	134	120	156	145	(140)	(153)	123	107	(28)	(50)
Roeser & Pendleton, Inc	Sept. 30	789	701	[2] 566	549	634	596	349	316	585	541	315	295	319	301	372	315
Seaboard Oil Co. of Delaware	Dec. 31	2,726	2,486	2,637	2,447	2,076	1,896	1,896	1,746	2,334	2,144	1,401	1,301	1,397	1,257	1,664	1,464
Signal Oil & Gas Co	do	1,084	951	1,252	966	866	691	1,104	1,001	1,077	902	1,051	922	1,421	1,200	1,678	1,215
South Penn Oil Co	do	3,590	3,590	4,913	4,643	1,456	1,441	2,923	2,837	3,221	3,128	2,183	2,101	3,803	3,269	6,825	5,080
Sunray Oil Corporation	do	610	550	1,079	951	680	569	707	606	769	669	658	528	1,165	853	1,169	819
Superior Oil Co. (California)	Aug. 31	[3] 2,370	[3] 2,185	[4] 1,111	[4] 1,111	(281)	(281)	896	816	1,024	958	(1,069)	(1,069)	1,742	1,742	4,713	4,513
Superior Oil Corporation (Delaware)	Dec. 31	154	148	446	446	333	333	62	62	249	247	164	152	165	147	193	185
Texas Gulf Producing Co	do	852	823	655	605	783	766	615	615	726	702	560	560	317	317	405	405
Texas Pacific Coal & Oil Co	do	646	642	985	983	1,037	1,036	892	889	890	888	481	480	1,222	1,180	959	861
Transwestern Oil Co	do	[5] 49	[5] 44	375	362	(88)	(88)	(1,065)	(1,065)	(182)	(187)	(439)	439	572	561	799	749
Universal Consolidated Oil Co	do	244	240	43	41	366	351	562	513	304	286	237	228	350	309	122	118
Total		25,038	23,583	29,905	27,900	20,004	18,693	18,408	17,202	23,342	21,846	13,723	12,410	24,730	22,093	33,427	27,730

[1] Less than $1,000 ($310).
[2] 9-month period to Sept. 30.
[3] 10-month period to Oct. 31.
[4] 10-month period to Aug. 31, allowable tax deductions exceed income.
[5] Period from Nov. 20 to Dec. 31.

NOTE.—Figures in parentheses ( ) indicates loss.
Source: Moody's Industrials; Standard and Poor's; Securities and Exchange Commission Report on Crude Oil Production, Costs and Profits, 1939–42.

Statement of earnings before and after income taxes of 21 fully integrated companies, years 1936–42

[000 omitted]

Name of company	1936		1937		1938		1939		Average 1936-39		1940		1941		1942	
	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]	Before income taxes [1]	After income taxes [1]
Atlantic Refining Co. (Pennsylvania)	$8,386	$7,348	$11,114	$9,942	$5,602	$4,317	$6,500	$5,028	$7,900	$6,659	$10,575	$7,847	$23,106	$15,872	$8,305	$5,297
Cities Service Oil Co. (Delaware) [2]	777	730	1,838	1,827	(675)	(675)	(401)	(413)	385	367	1,106	1,060	6,568	6,043	11,383	9,552
Continental Oil Co. (Delaware)	10,226	9,622	14,566	13,959	5,303	5,149	6,470	6,317	9,141	8,762	4,715	4,331	17,201	15,407	18,034	14,929
Gulf Oil Corporation (Pennsylvania)	28,069	26,355	33,641	31,854	14,736	13,017	18,209	15,316	23,664	21,635	25,904	22,151	44,309	35,569	35,633	27,982
Mid-continent Petroleum Corporation (Delaware)	5,101	4,778	5,990	5,305	1,123	1,044	2,759	2,651	3,743	3,445	3,332	2,968	6,273	4,866	9,319	6,112
Ohio Oil Co. (Ohio)	8,254	7,886	12,937	11,869	5,355	4,588	2,385	1,499	7,233	6,460	10,134	8,740	14,176	11,898	17,997	13,243
Phillips Petroleum Co. (Delaware)	20,258	17,876	26,745	24,114	9,701	9,049	11,279	9,833	16,996	15,218	14,907	11,590	24,741	18,123	21,973	13,901
Pure Oil Co. (Ohio)	9,003	8,456	12,404	11,992	6,536	6,023	9,103	8,775	9,261	8,812	10,083	9,275	20,004	15,894	22,149	15,872
Shell Union Oil Corporation (Delaware)	21,727	19,721	24,217	20,709	14,831	11,318	12,951	11,805	18,431	15,888	19,455	15,655	31,316	21,334	41,660	17,727
Sinclair Oil Corporation (New York) [3]	17,931	16,729	22,246	20,809	8,160	7,737	7,946	7,541	14,071	13,204	4,302	3,792	24,472	18,972	30,108	20,561
Skelly Oil Co. (Delaware)	5,371	4,933	7,118	6,578	3,024	2,763	2,486	2,383	4,500	4,164	2,981	2,806	6,996	5,230	9,199	5,633
Socony-Vacuum Oil Co., Inc. (New York)	52,337	43,174	68,895	57,265	47,846	40,340	42,799	37,064	52,969	44,461	50,947	43,266	79,097	58,583	59,226	36,639
Standard Oil Co. of California (Delaware)	24,876	23,330	46,348	42,035	32,476	28,876	19,283	17,883	30,746	28,031	23,988	22,488	40,286	34,267	41,309	30,501
Standard Oil Co. (Indiana)	54,240	47,689	65,184	57,513	31,043	28,147	41,564	35,490	48,008	42,210	44,578	35,126	75,541	53,089	74,291	45,722
Standard Oil Co. (Kentucky)	4,589	3,947	5,081	4,183	4,630	3,780	4,895	3,980	4,799	3,973	5,003	3,818	6,551	3,671	7,065	3,185
Standard Oil Co. (New Jersey)	157,587	131,535	234,168	198,377	143,574	112,777	138,798	114,893	168,532	139,395	180,034	145,026	259,352	197,240	161,161	111,161
Standard Oil Co. (Ohio)	5,187	4,194	4,241	3,518	2,428	2,159	6,709	5,619	4,641	3,873	9,257	6,177	15,235	7,966	17,760	6,148
Sun Oil Co. (New Jersey)	9,390	7,164	11,533	9,546	3,701	3,087	8,357	6,961	8,245	6,789	9,389	7,970	20,944	16,533	17,020	8,251

[1] Before provisions for possible war losses, post-war adjustments, and contingencies (extraordinary) and before gains or losses from sale of fixed capital assets (which can be determined from the sources used).

[2] Before interest on advance by parent company (Empire Gas & Fuel Co.).

[3] Consolidated Oil Corporation (New York) prior to May 19, 1943.

Statement of earnings before and after income taxes of 21 fully integrated companies, years 1936–42—Continued

[000 omitted]

Name of company	1936		1937		1938		1939		Average 1936–39		1940		1941		1942	
	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes	Before income taxes	After income taxes
The Texas Co. (Delaware)	$41,904	$38,424	$62,495	$55,395	$26,773	$24,063	$36,991	$34,306	$42,041	$38,047	$50,779	$42,444	[4]$74,900	$58,763	$66,544	$49,832
Tide Water Associated Oil Co. (Delaware)	11,556	10,344	17,125	15,802	11,020	10,428	9,229	8,959	12,233	11,383	10,078	9,519	21,290	17,576	17,767	13,276
Union Oil Co. of California (California)	6,272	6,133	13,197	12,062	7,330	6,863	6,523	5,854	8,330	7,728	5,317	4,978	6,607	5,145	8,237	5,537
Total	503,041	440,768	701,093	614,654	384,519	324,850	394,835	341,744	495,869	430,504	496,864	411,027	818,965	622,041	696,140	461,06
Total income taxes		62,273		86,439		59,669		53,091		65,365		85,837		196,924		235,079

[4] After State and foreign income taxes, amounts of which are not stated, but before Federal income taxes.

NOTES.—Parentheses ( ) indicates a loss (red figure).
Sources: Moody's Industrials and published statements.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in looking over the original bill we find it was originally proposed to transfer this authority to the Secretary of the Interior, who occupies a job created by Executive Order 9276. What has bothered me all the way through in considering this bill is the thought that the President, if he desired to do so, could eliminate everything we were about to accomplish through the enactment of such a bill, by abolishing that office. So when the situation moved around to where I could support a proposal leaving this proposition in the hands of the Office of Price Administration, and in addition thereto issuing a directive as to no less than a 35-cents-a-barrel increase in price, that then straightened the matter out as far as I am personally concerned.

We have gotten into a policy in this country which we now see is forcing one group after another to come to this Congress for relief. That is due to the fiscal policy we have followed and which we continue to follow, and which I am certain we will follow right on through until the consummation of this war. We have the white-collar class approaching us under the subsidy bill. We have a situation here where you must have petroleum products in order to prosecute a war, and that group has gotten into a financial position as related to cost where it must have relief if you are to get the production. It is the production in which I am interested, not so much the cost. Why? Because you have to have production. That is why I am interested in it. If we did not have to have it, then I would talk about the cost.

The Congress can leave this affair in the hands of the O. P. A., and it can direct upon O. P. A. to take into consideration certain factors. For almost 10 years we moved heaven and earth in the way of pump-priming to push the price level back up to the 1926 level, and that is what is recited in this bill. We fought for almost 10 years, and where did we get it? We got it up to 87. That is where you reached in 1941. From 1930 to 1941 you got it up to 87. You came within 13 points of your goal.

I do not get excited when you talk about pushing prices up to the 1926 price level, because I am in favor of prices going up to the 1926 price level, and that is what the Disney amendment proposes here. Therefore, I am supporting the Disney amendment. So with the Rees amendment we adopted just a few moments ago, plus the amendment now before us, I think if you would go out and spend 2 or 3 hours with yourself and God Almighty you would find it straightens out a lot of things as far as these particular problems before us at the present time are concerned.

If the 35 cents is necessary to get the production, then let us get along with the job and leave this in the hands of the O. P. A., not get out on that limb of transferring it to the Secretary of the Interior where it could be abolished through canceling the Executive order, and in addition give this additional direction to the O. P. A. with respect to considering these things in connection with the 1926 price level. This part interests me very much:

the Petroleum Administrator for War shall consider the necessity for exploring for crude petroleum and the maintenance of a competitive position in the petroleum industry—

and to that end do these other things. I want exploration work. I want competition in the industry maintained, so it fixes a lot of things up for me.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. We might clear the air as far as the distinguished gentleman from Massachusetts is concerned. This 74-cent over-all increase that he is talking about would not take place; he is of the opinion that a 74-cent-price increase would be granted over-all because in 1926 the price of oil in Texas might have been 75 cents and in Pennsylvania it might have been $1.75. Different areas command different prices. Various qualities of crude command different prices.

That is up to the O. P. A. to determine, the parity price increase. They are the ones who would determine whether or not the price increase would be greater than the 35-cent base price increase and it would not be an over-all 74-cent increase to the producer as he has led the House to believe. In my State, I might say, thousands of wells are being abandoned and the casings are being pulled and sold for junk and scrapped. We are going out of the oil business. We have to have more than 35 cents to exist. We should have a dollar.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONRONEY. Mr. Chairman——

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, a while ago I tried to make the point it is a pretty hard, if not impossible, proposition for this body to legislate intelligently on the very important and complex items that go into our economy, particularly with reference to prices.

I would like to call your attention to proof of this, which I think we all admit is here in the House today. After 218 Members of the House have carefully studied this bill and weighed its values and its merits, they signed a discharge petition. Such a petition is a highly preferential procedure, to take away from one committee jurisdiction of the bill, and so this bill was brought to the floor.

FOUR AND ONE-HALF LINES

Today, after three amendments, we find that there are exactly 4½ lines of the bill that 218 Members thought so very fine as to use this unusual procedure to bring it to the floor.

Not only do we find that, but the original bill started out to put jurisdiction under Petroleum Administrator Ickes. Now we find the House has turned the corner and put it back under the O. P. A. Then we find the mandatory so-called parity index which was to be used would not just raise the price of oil 35 cents a barrel, but some of the consuming districts find it will raise it 75 cents a barrel. So we find now another amendment and a substitute thereto is pending.

One amendment says we must raise it by 35 cents a barrel to a new floor, and then maybe we hope it can be raised 75 cents a barrel, because we find that in fixing the price, that consideration shall be given to this index. I personally think a point of order would have stood against the amendments linking in this so-called commodity index. This index has no standing at law and its component factors are uncertain and not specific. Frankly I do not know how much weight is given in this all-commodity index to such items as fertilizer as compared to steel or whether leather goods outweigh oils or not. And I do not believe even the proponents of these amendments would dare to say they can tell how much weight is going to be given to the items included in this to the all-commodity index in arriving at the price of oil.

I think we illustrate here by our action today that Congress, sitting as a price-determining body, is destined to fail and yet we are taking this step today and inviting not only criticism and disaster on the price-control program, but threatening and endangering the very stability of our country. There is confusion and lack of understanding. In fact, you do not even have the bill in its present form making complete sense, because you have stricken out everything after the enacting clause down to line 9 and start a new sentence beginning with "in." Congress will find if it passes this bill and if it becomes law, that we have established a most dangerous precedent.

Mr. Chairman, I yield back the balance of my time.

Mr. GAVIN. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. GAVIN. I might say to the gentleman, we have acted; and this is democracy at work and it is not by executive session or directives. We are ironing out this oil legislation in a satisfactory manner, getting some results after months of delay.

Mr. MONRONEY. Are we at work for the people of this country or for the few people who want to tear down price control?

Mr. GAVIN. We are at work for the people of the country who are insisting that something be done.

Mr. DISNEY. Mr. Chairman, I ask unanimous consent that 15 minutes be fixed as the time for discussion of this amendment and all amendments thereto.

The CHAIRMAN. The gentleman from New York [Mr. REED] is recognized for 3 minutes.

Mr. REED of New York. Mr. Chairman, I believe that I am well within the facts to state that the ultimate victory of the United Nations over the Axis Powers depends to a greater extent on crude oil and its derivatives than it does upon any other one war material. Crude oil and its derivatives are the lifeblood of mechanized warfare. An oil bank is as essential to the survival of the ships, tanks, and planes as a blood bank is to the life of our fighting men.

Without an adequate supply of crude oil and its derivatives the lives of millions of our men would, in consequence, be needlessly sacrificed for lack of the means with which to operate the mechanized equipment so indispensable as weapons of offense and defense in modern warfare. A victory can be won by the United Nations only with an adequate supply of crude oil and its derivatives. I am sure that every well-informed person will admit the truth of such a statement.

I believe that the danger of a crude-oil shortage presents one of the most critical problems of the war. Already, the situation has arrived where the crude-oil productive capacity of the United States is inadequate to meet the future minimum requirements of existing domestic refineries.

There has been, during the past 4 years, a steady and most alarming decline in the annual discoveries of new crude-oil reserves. It is inevitable that this decline in new crude-oil reserves will continue unless there is an increase in the price of crude oil, sufficient to encourage the search for new producing areas. I have the honor to represent a stripper-well area where what is known as secondary recovery operations are required to bring the oil to the surface. This method is most expensive, yet, regardless of cost, the grade of lubricating oil is so vastly superior to any other lubricating oil in the world, especially for use in planes, that not a quart of it should be lost during this war. The low price prevailing under the O. P. A. ceiling has forced operators to pull the pipes and pumps and abandon production at an increasing and alarming rate.

The O. P. A., by its stubborn resistance to the urgent appeals of Congress and of the office of the Petroleum Administrator for War for an increase in the price of crude oil, has created a most dangerous threat to a vital phase of the war effort. The failure to supply gas and lubricating oil to our armed forces, even for a few hours, could produce a holocaust of ghastly consequence to our men at the fronts.

I maintain that the pending resolution, H. R. 2887, brought to the floor by petition, is one of the most vital war measures upon which the membership of this House has been called to vote. I deplore the fact that at this critical time, when the lives of millions of our heroic men may depend upon an ample future supply of an essential war material, there should be a bureaucratic agency such as the O. P. A. permitted, by its stubborn and arbitrary failure to act, to endanger the security of the Nation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PATMAN. Mr. Chairman, we must all realize that the depletion allowance is in jeopardy if this amendment is adopted. I shall not have time to discuss all the points in this proposal, but, what does the year 1926 mean as a base? For agriculture that was pretty good. That was originally agreed upon because of agricultural prices, but how it would affect oil we do not know. It might double the price of oil, or it might reduce it 50 percent. I do not know. That is one of the many things we do not know about this bill. There are only two lines of this bill that remain untouched by amendment. At least a dozen lines have been added, which is evidence of the fact that some committee consideration should be given to it.

If you will notice the last sentence of Mr. DISNEY's amendment, it will compel a price increase to consumers to take care of the price increase on the crude, although maybe a producer would not want to do it. Perhaps he could absorb that in some particular field. Yet this will compel a price increase on all consumers. That is one of the things that we do not know about.

This bill was introduced in June. There was a recess in July and August. So it is not fair to accuse the committee of being indifferent and failing to work during July and August. There was no petition filed on this bill until in October. During that time our committee was working night and day on the Commodity Credit Corporation bill. Only up to this time has our committee had an opportunity to give it consideration. Are you going to take it away from a committee that promises to give it consideration speedily? The chairman of our committee has promised this House that if this bill is recommitted, hearings will commence on Friday of this week and continue until we make a report. There is no reason why a report should not be ready next week. Is there any Member who does not want all the facts in this case? Certainly it involves a lot, just for the House to take it away from a committee, without knowing what is being done.

If you will read Mr. Disney's amendment, you will discover how little you know about this whole thing. I have studied oil and oil prices for many years. Being from an oil district, I know a little something about it, but I cannot take this Disney amendment and make any sense out of it. Maybe Mr. DISNEY can because he has studied the particular amendment, but, we have not had that opportunity. The committee has never seen it. We did not know what was in it. So, why not send this bill back to the committee and then we will hear testimony on both sides, and I believe within a week the bill can be brought back here—a bill that this House will not be ashamed of, and one that will be in accord with the principles and precedents established by this House, and give the oil industry everything it is entitled to receive.

Mr. CARLSON of Kansas. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

You have heard a great deal about parity in the past 10 years. The gentleman from Texas [Mr. PATMAN] just asked the question as to what basis we had for using 1926 on oil parity. The figures I am going to use are furnished by the Bureau of Labor Statistics. In 1941, they set the parity price on oil at 58.9 or, as we say, 60 percent. At that time the raw materials average in the United States in 1941 was 83 percent. In 1943, oil is still 58.9 or 60 percent of parity, while raw materials used in comparison in establishing this parity is 112 percent, plus.

I want to assure you members this afternoon that we need to give consideration to parity in order to get oil production. That is what we need. I do not like to see this bill brought to the floor this way. I think the executive department has not only been negligent, but they have been derelict in their duty. They should have taken action on the price of oil. I certainly hope that the committee will vote down the amendments and support the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Will the gentleman yield?

Mr. CARLSON of Kansas. I yield.

Mr. DISNEY. Does the gentleman know of any other means by which we could have got this price feature before the Congress than this means?

Mr. CARLSON of Kansas. I do not. I am one Member who has hoped that this bill would come up in orderly procedure in order that we could get a vote on it. We are going to have further rationing of oil and gasoline unless we get additional oil. When they set the parity price on oil it cost from 12 to 15 cents a barrel to get new production.

Today it costs 50 to 60 cents a barrel to get the production. The bill asks them to give consideration to parity in order to get the full needed production.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield.

Mr. ZIMMERMAN. I should like to ask my friend from Kansas, in view of the statements that have been made here that the committee is willing to hold hearings on this bill and bring back a bill within 1 week, if that would not be the sensible thing for this body to do, get both sides of the case and then come back here in a week and intelligently dispose of this highly controversial and important measure?

Mr. CARLSON of Kansas. I do not believe the committee promised to bring a bill back. They promised to hold hearings but did not say they would bring a bill back within a week.

Mr. ZIMMERMAN. We have been given every assurance by the chairman of the committee that they would do that very thing.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield.

Mrs. ROGERS of Massachusetts. The gentleman knows that in New England last year people died of cold. It is becoming intensely cold up there now. We shall have deaths this winter if we do not have oil, and there is great scarcity of coal.

Mr. CARLSON of Kansas. There is no doubt about it. We need additional oil for our military and civilian requirements.

The CHAIRMAN. The gentleman from Montana [Mr. O'CONNOR] is recognized for 3 minutes.

Mr. O'CONNOR. Mr. Chairman, first of all I want to give my version of a statement made by the gentleman from California [Mr. VOORHIS], to the effect that the oil industry has made more money in the last 2 years than ever before. That statement is somewhat true but applies only to the major companies.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Not yet. It applies only to the major companies. It is a fact that they have made money and the way they have made that money is by purchasing crude oil at $1.10 a barrel, and then getting $8 a barrel for their refined products. It makes little difference to them what they pay for crude oil or what they get for crude oil as they make their profits out of the refined products.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield? He mentioned my name.

Mr. O'CONNOR. I will yield when I get through, but there are one or two things I must say before my 3 minutes expire. If the gentleman will wait I will yield.

Before the war 52 percent of the production of oil in this country came from the independents, leaving 48 percent for the majors. At the present time due to the purchase of independent operators and their going out of business because of increase of costs of production the majors now control 78 percent of all oil production and there is 22 percent left for the independents.

Mr. Chairman, I now yield to my friend from California.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield but just for a question.

Mr. VOORHIS of California. The gentleman is quite right, the majors are getting greater and greater control, but the figures which I submitted are broken down as between independents and majors. I said in my own speech that there were many independents that needed help in this manner. The gentleman's proposal in this bill would give it to everybody.

Mr. O'CONNOR. Mr. Chairman, I can yield no further as my time is short. First, this is not my bill but if in order to save the small percentage of independents still doing business, it is necessary to increase the price of crude oil which will be shared by the major companies, I say it should be granted for the reason that the major companies do not make their profits out of the crude oil but out of the refined products as they not only produce but refine, transport, distribute, and sell to the consumer, such increase will save the independents. We cannot draw the line in this bill between independent and major companies and say to the major companies you can have only so much for your crude oil but the independents can have a greater price. That would be class legislation and everybody knows that would be unconstitutional. Members of the Committee, I want to show you how costs of production of crude oil have increased. Before the war, in the Kevin-Sunburst field in Montana, one of Montana's oldest fields, we used to bring into production at a depth of 1,500 feet a well and get oil at commercial quantities at a cost of $5,000. Today that same well costs $7,000 at the same depth, namely, 1,500 feet. Now I want to tell the O. P. A. that in that same territory you permit a price of 71 cents a dozen for eggs and you limit the price of oil to $1.10 a barrel. The O. P. A. is dignifying and glorifying the hen above the commodity without which our merchant marine, our Navy, our entire transportation system, outside of railroads, would be only hulks of steel, iron, and so forth. Now remember the independent oil producer has nothing to sell but crude oil. He is not in the position of the major companies who produce, refine, distribute, and sell to the public. If the independent oil producer has any sense he will dispose of his oil interests and buy a few cackling hens because eggs are just one item in connection with our food menu that are given more consideration by our O. P. A. than oil which has been characterized on how to win war as being the lifeblood and which Mr. Ickes says is next to steel in importance in the winning of the war. Mr. Ickes has asked for an increase in the price of oil. Why? Because he wants production. Why? Because he wants to win the war. He knows if the Allies have more oil than the Axis Powers they will ultimately win. He wants production to fill the storage places that are today empty because of the tremendous demand for oil. He, like ourselves, does not want to see the independent producer choked out of existence. One great warrior said, "My kingdom for a horse." I say, "Our country for more Ickeses."

The CHAIRMAN. The time of the gentleman from Montana has expired.

The gentleman from Pennsylvania [Mr KELLEY], is recognized for 3 minutes.

Mr. KELLEY. Mr. Chairman, this whole thing is strangely inconsistent. Here we are asked today to put a floor under the price of oil. Two or three months ago the Committee on Ways and Means, of which my good friend from Oklahoma is a member, pulled the floor out from under coal. Coal had a floor price for several years. They thought that it was not a proper thing. Now, they come in here and they want to put a floor under oil.

Mr. DISNEY. Will the gentleman yield?

Mr. KELLEY. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Of course, that was the Bituminous Coal Act and was not a price-control bill.

Mr. KELLEY. Yes, but the same thing applied in both cases. Here we are asked to put a floor on oil. Why not a floor on coal?

Mr. DISNEY. I do not think the two situations are alike. I thought it was regimentation of business at that time.

Mr. KELLEY. I cannot agree with that statement. Do we want to give preferential treatment to the oil industry? I think it is proper, if this is recommitted to the Committee on Banking and Currency, that the fuel problem should be reviewed because coal is in much the same position as oil today. Coal production could be increased if the price were made satisfactory. That is the least that the Congress can do.

Mr. WRIGHT. Will the gentleman yield?

Mr. KELLEY. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. In answer to a question of the gentleman from Kansas just a moment ago, I want to assure him that the chairman of the Committee on Banking and Currency not only said he would have hearings promptly but that he would report a bill promptly. He made that statement on the floor this morning.

The CHAIRMAN. All time has expired on the amendment offered by the gentleman from Oklahoma [Mr. DISNEY] and all amendments thereto.

The question is on the substitute offered by the gentleman from Massachusetts [Mr. BATES] for the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent that my substitute may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. BATES]?

There was no objection.

The Clerk again read the substitute offered by Mr. BATES of Massachusetts.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Massachusetts [Mr. BATES].

The substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The question was taken; and on a division (demanded by Mr. FORD) there were—ayes 105, noes 34.

So the amendment was agreed to.

Mr. PLOESER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PLOESER. I had an amendment pending which I asked the Chair to present at the conclusion of the vote on the Bates substitute.

The CHAIRMAN. The Chair did not see the gentleman seeking recognition.

Mr. PLOESER. I realize that, Mr. Chairman; but I wonder if it is too late to have the amendment considered now.

The CHAIRMAN. The gentleman may obtain unanimous consent to do that.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes to explain the amendment, if I may, then I will ask unanimous consent to offer the amendment.

The CHAIRMAN. The gentleman would be entitled to 5 minutes in support of his amendment if he secured unanimous consent for its consideration.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to present my amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. PLOESER]?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PLOESER to the amendment offered by Mr. DISNEY: Strike out the words "35 cents" and insert "80 percent of parity and not to exceed parity" and strike out the last sentence.

Mr. PLOESER. Mr. Chairman, the people of this Nation need a greater supply of oil and gasoline. Present rations are apt to be drastically reduced if some one in authority in this Nation does not act soon. What does it matter what the price of oil if we cannot get oil? If this bill will eventually bring an increase in the war supply plus the civilian supply, and I think it will, then I will support the bill.

I did vote for the amendment to keep authority over price in the Office of Price Control. I do not pretend that the O. P. A. is the single price-control authority. We all know it is not. Mr. Chairman, the purpose of this amendment is to keep the legislation in line with the custom of this House in legislating on price control. All of us will admit it is without precedent to set a specific dollar and cents price in this Congress. Eighty percent of parity is an increase of 35 cents per barrel figured according to the Disney formula. I have put in another ceiling to prevent increases above parity.

As I understood the Bates substitute, it did not change the Disney amendment one iota except to condense it into shorter language. I have read both of the amendments. My amendment is in line with the practice of the House in legislating on agricultural prices. The amendment to the Disney amendment goes further in that it strikes out the last line of the Disney amendment, which seeks to cause the Office of Price Control, by virtue of legislation, to increase all other price levels whether they are needed or not simply because the price of crude oil is increased. There is little or no reason why the major oil companies should raise their retail prices because of a 35-cent increase in crude.

The O. P. A. can hold the retail price line very effectively and still grant an incentive production price on crude. I am one of those who realizes the critical oil shortage and who is advocating a big increase in American oil production. I realize that unless this action is taken civilians risk the danger of being without fuel oil, lubricating oil, and gasoline. I am one of those who signed the unanimous report of the Small Business Committee last spring asking for a 35-cent increase in oil, and I am still of the same opinion. I put in this amendment so as to stay in conformity with congressional precedent and I based it upon the parity formula, 80 percent.

Mr. HALLECK. Will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Indiana.

Mr. HALLECK. I am impressed by the amendment the gentleman has offered. As the gentleman has suggested, we one time wrote in the price-control law of the land a provision that farm prices could not be fixed at a point lower than 110 percent of parity. Subsequently we revised that to say that they should not be fixed at a point lower than 100 percent of parity. Now, it might have been 90 percent of parity or 85 percent of parity.

The amendment that the gentleman suggests does not adopt the practice of writing in dollars and cents, as has been pointed out, but follows the precedent established by the Congress in writing the price-control law for agricultural commodities. It does not do violence to that precedent, but at the same time does fix a floor beneath which the O. P. A. cannot go in fixing the price of crude oil, and, as the gentleman has suggested, recognizes the position taken by many of us over a long period of time that the national interest absolutely demands an increase in the price of crude oil, an increase that should have been given and would have been given but for the obstinate refusal of a governmental agency to recognize the national need.

Mr. PLOESER. This establishes a floor at 80 percent of parity and an overall maximum ceiling at parity, so that there will be no reason to run away with an unusually high price structure.

Mr. HALLECK. There would be no compulsion on the O. P. A. to fix a ceiling price higher than 80 percent of parity?

Mr. PLOESER. It removes that compulsion. Neither is the O. P. A. compelled to increase retail prices.

The maximum ceiling at parity prevents this legislation from breaking the so-called dangerous inflation line.

Mr. DISNEY. Mr. Chairman, as I understand the parliamentary situation, all time has been consumed on my amendment and all amendments thereto, but the gentleman from Missouri was granted unanimous consent to address the House on his amendment for 5 minutes.

The CHAIRMAN. No; the gentleman from Missouri obtained unanimous consent to offer his amendment. The gentleman from Oklahoma is entitled to 5 minutes in opposition to the amendment, if he desires recognition.

Mr. DISNEY. I call for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. PLOESER] to the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The question was taken and, on a division (demanded by Mr. DISNEY), there were—ayes 101, noes 53.

Mr. DISNEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PLOESER and Mr. DISNEY.

The Committee again divided, and the tellers reported that there were—ayes 93, noes 64.

So the amendment to the amendment was agreed to.

Mr. CALVIN D. JOHNSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CALVIN D. JOHNSON: After the last sentence insert, "The fixing of prices of any mineral through which by hydrogenation crude petroleum and the products thereof and derivatives therefrom may be produced is hereby transferred to the

Solid Fuels Administrator for War as provided for in Executive Order No. 9332 issued by the President of the United States."

Mr. DISNEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CALVIN D. JOHNSON. Mr. Chairman, the coal-mining industry of this Nation faces a crisis. This amendment would transfer that industry to the Solid Fuels Administrator. His department is responsible for coal production, it is responsible for distribution, and it has also been responsible for the wage increase which just recently was placed in effect. This increase in wages is costing the mining industry of the Nation approximately 35 cents more per ton. The O. P. A. recommended a compensating increase of 17 cents per ton. It is contended that with the profit which is now being made by the mines, the operators of this country should absorb the difference, but it is impossible for them to do so.

I want to cite you a condition that exists in my own State. Back in 1923 Illinois produced 60,000,000 tons of coal and 100,000 miners were employed. Production dropped down until 2 years ago it was only 47,000,000 tons, and about 45,000 miners were employed. This year it has jumped up to 60,000,000 tons, because along in April we were granted a price increase of approximately 30 cents per ton, which has now been taken away from us because of this new wage increase.

Mr. KELLEY. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield to the gentleman from Pennsylvania.

Mr. KELLEY. The coal the gentleman includes in his amendment is only for the hydrogenation process; it does not include coal for all other purposes?

Mr. CALVIN D. JOHNSON. Any coal is subject to hydrogenation. Coal is the only mineral through which by hydrogenation crude petroleum can be produced. That is the reason I am contending that this amendment is germane. The component parts of coal and petroleum are identical. Coal is to oil what ice is to water. A chemist can take petroleum and produce coal, or he can take coal and produce petroleum. That is the reason for this amendment.

Mr. KELLEY. Could the gentleman's amendment be construed to mean that only the coal that might be taken for the hydrogenation process would be placed in the Solid Fuels Administration and all the others not? That is an infinitesimally small amount.

Mr. CALVIN D. JOHNSON. No. My idea would include all types of coal and lignites of all kinds. The mining industry feels it is absolutely essential to continued prosperity that this amendment be adopted. Ickes is the only man in Washington in whom both the miners and the operators have confidence, and he has recognized the plight in which we find ourselves by recommending to Vinson that the allowance of O. P. A. of 17 cents to take care of the wage increase be increased. The 17 cents is not sufficient. We know that we cannot continue. We all know that we have had four shut-downs in the coal-mining industry this year. We know that a serious fuel shortage faces this Nation because of those shut-downs. Frankly, unless an opportunity is given to the operators to continue in business by granting them an increase in the price of coal so that they can meet this wage increase, you are going to have another shut-down, and this time it will be the operators who will exhaust their cash surplus and be unable to continue in business. We feel that we are willing to rest our case in the hands of the Solid Fuels Administrator because he has shown an understanding of our problem. For that reason I offer this amendment. I contend that it is germane, for the simple reason that coal is the only mineral through which by hydrogenation crude petroleum can be produced, and the component parts of coal and oil are identical. It is fuel.

The CHAIRMAN. Does the gentleman from Oklahoma insist on his point of order?

Mr. DISNEY. Mr. Chairman, I make the point of order that the amendment offered is not germane to the bill.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. CALVIN D. JOHNSON. Mr. Chairman, my contention is that the amendment is germane. Coal and oil are both fuel. The component parts of coal and the component parts of oil are identical. This bill deals with petroleum. Coal is petroleum in a solid form, which has been proven by Germany, by England, and by practically every nation, even our own, which has gone into the hydrogenation process. I contend that coal is to oil what ice is to water, that the chemical components are identical, and that there is no reason why this amendment should not be declared germane.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Illinois [Mr. CALVIN D. JOHNSON] offers an amendment which has been reported by the Clerk, to which the gentleman from Oklahoma [Mr. DISNEY] makes the point of order that the amendment is not germane to the bill under consideration.

The bill now under consideration, H. R. 2887, provides for transferring certain functions of the Price Administrator, with respect to petroleum and petroleum products, to the Petroleum Administrator for War. It will be noted that the product covered by the pending bill is petroleum.

The Chair invites attention to page 193 of Cannon's Procedure in the House of Representatives and quotes as follows:

> One individual proposition may not be amended by another individual proposition even though the two may belong to the same class.

There are some 18 citations listed there, citing with approval the statement quoted by the Chair.

The Chair is of the opinion that there is no doubt that the amendment seeking to include minerals in a bill providing for petroleum certainly would bring in a proposition in addition to the one covered by the bill, and, therefore, is not germane. The point of order is sustained.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, there have been so many amendments passed to what was originally a very small bill, the language of it has been changed so much, I doubt if anyone knows what is in the bill as it stands now. Would it be in order to request that the bill as it now stands be read for the House?

The CHAIRMAN. It can be done by unanimous consent.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I ask unanimous consent that the bill be now read. I think it is important in view of the amendments.

The CHAIRMAN. Is there objection?

Mr. BOREN. Mr. Chairman, I object.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I hope the gentleman will withdraw his objection. I do not want to ask for the engrossed copy of the bill.

Mr. BOREN. Mr. Chairman, the bill will be read shortly before the vote, after it comes out of the committee. I would not have any objection to the reading of the bill, but the request at the present time is a dilatory tactic.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, is the gentleman correct that the bill will be read when we go back into the House?

Mr. BOREN. Mr. Chairman, I mean if the gentleman will renew his request at that time, I will have no objection.

The CHAIRMAN. The bill will be read by the title unless an engrossed copy is demanded.

Mr. MAY. I move to strike out the last word and I ask unanimous consent that I may speak out of order.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Kentucky [Mr. MAY] is recognized for 5 minutes to speak out of order.

Mr. MAY. Mr. Chairman, I do not know whether I am trespassing upon the time of the House or not and I would not desire to do that, but I think I have a statement to make very briefly in which every Member of the House is vitally interested. I have adopted this method of finding an opportunity when we have a good attendance to make another statement regarding the question of the pending legislation in relation to mustering-out pay for the armed forces of the country.

We have been having hearings this week in the Committee on Military Affairs and, pending the completion of our hearings, the Senate of the United States has reported a bill with rates fixed in it far beyond that which any bill introduced in the House contains. Since that bill was reported by the Senate Committee on Military Affairs I have been called upon by representatives of the veterans' organizations and others who are interested in the legislation and we find that there are so many vexing questions involved in the entire matter which ranges all the way from strict mustering-out-pay legislation to adjusted compensation certificates as we had after the last war. Many of the representatives of veterans' organizations are afraid that the excessive rates and the question strictly of mustering-out pay may retard and interfere with some future right of theirs. Now we have discovered in the source of this legislation that there are so many vexing problems involved in it that I have designated a drafting committee which, together with the counsel of the various departments concerned, will meet tomorrow morning for the purpose of trying to perfect the legislation. I do not know whether we will be able to get it to the floor before the Christmas recess, if there is one, but I simply wanted you to know that this committee is going along with the matter and trying to figure out something in a sane and sensible way so as not to be unreasonable either down the line or up the line, and we are trying to arrive at a proper conclusion. I just do not know when we will be able to get it to you this time, but we are doing the best we can.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BROOKS. Mr. Chairman, the overwhelming importance which petroleum bears to the war effort is well known to all of us. In the camp and in the field, it is vital to the quick movement of troops and equipment. The automobile and truck cannot operate; the tank and the half-tread cannot move; the airplane and the blimp cannot fly; and the Army machinery and equipment cannot function, without the use of crude oil and its products. This means that for fuel, power, and even for light, our armies depend upon oil and gasoline; and no army could live, move, and fight for any length of time under present methods of warfare without this invaluable product which comes from the bowels of Mother Earth.

On the sea, we find oil is used to operate the machinery of our warships. It is used by the naval aircraft above the ocean, by the dreadnaught which rides the waves and by the submarine which stealthily moves through the deep shadows far beneath the surface. It is just as important to the Navy as it is to the Army, and this is one product which we cannot afford to curtail without hurting the war effort immeasurably and taking a chance on its loss.

In the post-war era, the prophet can readily visualize and even the cold, calculating businessman can see, the absolute need for abundant supplies for our commerce, both internally and abroad. Already we contemplate the need of airports throughout the Nation and on the other six continents of the globe as soon as the war ends and peaceful air-borne commerce can venture again aloft into the skyways of the world. On the front of the Archives Building on Pennsylvania Avenue, in the city of Washington, is etched in solid granite the inscription, "What is past is prologue." Surely such a legend is proper for the annals of aviation provided abundant supplies of oil are available. We are about to open the door on a marvelous post-war age dependent heavily upon petroleum and its products.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LARCADE. Mr. Chairman, the State of Louisiana is the third largest producer of oil in the United States, and my Seventh Congressional District is one of the most important in point of production, number of fields, and opportunity for increased production, and the further exploitation and exploration to augment the production of this precious mineral, so necessary to furnish motive power to the mechanized units of our armed forces, and more particularly to produce high-octane gasoline for our air forces.

Mr. Chairman, it has been said that oil will win the war, and the progress and development of the war indicates that this statement is not very far in error. On June 17 of this year I extended my remarks in the RECORD under the title "Louisiana Firsts," which outlined the part that the great State of Louisiana is playing in furnishing oil, gasoline, high-octane gasoline, butadiene, and Buna S all used as fuel and for the manufacture of synthetic rubber, and pointed out that the State of Louisiana and my district led the United States in furnishing this important matériel in the prosecution of the war. In north Louisiana are large oil refineries; in Baton Rouge, the State capital, is the largest oil plant in the United States; and in my district are located oil refineries, synthetic rubber plants, high-octane gasoline plants, the most important installations being located at Lake Charles, Ville Platte, and Jennings, and in my district are approximately 50 oil fields; in fact, every parish in my district produces oil, and we are proud of our facilities and record in our contribution, and in our part in the prosecution of the war.

Mr. Chairman, naturally my district and many of my constituents are interested in the bill now under consideration, and I am glad to support the legislation under consideration. I have appeared before the Lea committee and the Patman committee urging increase in the price of oil, as this industry has not had any price increase for 5 years, and unless the industry obtains an increase, it will be unable to continue to maintain production, expand production, but, on the contrary, thousands of small, independent operators will face the choice of closing down their operations or face a continued loss in their patriotic efforts to furnsh our Government and armed forces this necessary product to carry on the war.

Speakers who have preceded me have covered the problems and explained the plight of the small, independent operators, as well as the large operators, and unless we do something for the industry, I fear that we are doing our country and the oil industry a great injustice.

My district furnishes a fertile field for further development and exploration, and as some of the best producing sands require the drilling of oil wells to a depth of from 5,000 to 12,000 feet to obtain reasonable production, you well can realize that the cost of drilling such wells is from $100,000 to $250,000, and unless the operators can secure a reasonable price for their production, it is plain to see that they will not risk this development under present prices and present conditions in the oil business.

In order that the Members of Congress might be able to obtain a picture of the oil situation, on September 15, 1943, I inserted in the RECORD a copy of an article entitled "The Oil Situation," by Mr. J. M. Taylor, which had been published in Collier's Weekly, which article stated clearly the present status of this important industry. We have had numerous conferences with those in authority seeking to obtain some relief for the oil industry, but without success, and my people tell me that they have been patient and suffering, and that the time has come for action, and since we have exhausted every other means of obtaining some relief, we found it necessary to proceed as we do.

Mr. Chairman, I trust that the Members of this Congress will give our plea sympathetic consideration, and that they will support this measure, if for no other reason, for the war effort, as I believe that we have proven our case from that standpoint. I wish to quote the following excerpts from a memoranda from the Petroleum Industry War Council, Washington, D. C., as follows:

The public is willing to absorb increased consumer costs if by so doing it will make available more gasoline and oil products, and refusal to permit an average raise in price ceiling on crude oil now disregards the military and civilian welfare of the Nation, William R. Boyd, Jr., chairman of the Petroleum Industry War Council, said today.

He cited the latest findings of the council's committee on cost and price adjustment which contend that—

"Economic justification for a price increase is simple, when stripped of its complex ramification.

"The present and visible supply of crude petroleum is inadequate to meet the expected demand. At present prices exploratory drilling activity is not finding a barrel of oil to replace each one now being produced.

"With greatly increased demand for petroleum, new reserves should be found, not only to replace each barrel being produced, but enough must be discovered to meet the demand without resorting to wasteful production methods. At the existing price level drilling activity is inadequate to produce the needed new reserves.

"Consumers should be called upon, even in a period of price control, to pay the higher cost of providing the supply they need.

"They do not buy crude oil. Refiners buy crude oil. But refiners cannot pay 35 cents per barrel more for crude oil, their raw material, unless they receive more per barrel for products derived."

Petroleum Administrator for War Harold L. Ickes has recommended to the Office of Price Administration an average crude oil price increase of 35 cents per barrel. The Petroleum Industry War Council, an industrial advisory group, was established by Administrator Ickes.

Crude oil, it contended, has not only failed to keep pace with other commodities in price increases, but petroleum products have advanced less in price than other important commodity groups. It cited house-furnishings, building materials, hides and leather, foods, textiles, and farm products as having advanced two to six times as much in price as petroleum products.

In conformity with the committee's findings, Chairman Boyd asserted:

"The industry would be derelict in duty if it did not insist upon a level of prices for crude oil and its products high enough to insure maximum production.

"It is a very big undertaking to provide all the oil that is required to fight the war, to supply current essential civilian needs, and to meet post-war demands. The petroleum industry is straining at the traces to meet production demands in a situation where costs are higher and where crude petroleum at an average price of $1.19 per barrel is 77 percent of the 1916–20 price, 76 percent of the 1921–25 price, 87 percent of the 1926–30 price, and only 7 percent above the 1936–39 prices."

Mr. DISNEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 2887, and directed him to report the same back to the House with sundry amendments with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. DISNEY. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendments? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BATES of Massachusetts. Mr. Speaker, I offer a motion to recommit which I send to the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BATES of Massachusetts. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BATES of Massachusetts moves that the bill be recommitted to the Committee on Banking and Currency.

Mr. WRIGHT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 129, nays 206, not voting 94, as follows:

[Roll No. 169]

YEAS—129

Abernethy	Gorski	Myers
Angell	Hare	Newsome
Baldwin, Md.	Harless, Ariz.	Norton
Barden	Hart	O'Brien, Ill.
Barry	Hartley	O'Konski
Bates, Ky.	Hays	Outland
Bates, Mass.	Heffernan	Patman
Bender	Herter	Powers
Bennett, Mich.	Hess	Priest
Bolton	Hoch	Rabaut
Bonner	Holifield	Ramey
Bradley, Pa.	Holmes, Mass.	Ramspeck
Buffett	Hull	Richards
Bulwinkle	Izac	Robertson
Burch, Va.	Jarman	Rowan
Burgin	Jeffrey	Rowe
Byrne	Johnson,	Sadowski
Canfield	J. Leroy	Sasscer
Cannon, Mo.	Johnson,	Satterfield
Clark	Lyndon B.	Sauthoff
Cochran	Kean	Scanlon
Coffee	Kefauver	Schuetz
Cole, N. Y.	Kelley	Sheppard
Colmer	Keogh	Snyder
Compton	Kirwan	Somers, N. Y.
Cooley	Lecompte	Spence
Cooper	Lesinski	Sullivan
Courtney	Luce	Sundstrom
Crosser	Ludlow	Towe
Dingell	Lynch	Voorhis, Calif.
Durham	McCormack	Vorys, Ohio
Eberharter	McMillan	Weaver
Ellison, Md.	McMurray	Weichel, Ohio
Ellsworth	Madden	Weiss
Elston, Ohio	Magnuson	Whitten
Feighan	Marcantonio	Whittington
Flannagan	Martin, Mass.	Wigglesworth
Fogarty	Merritt	Winstead
Folger	Miller, Conn.	Wolcott
Forand	Monroney	Wolverton, N. J.
Ford	Morrison, N. C.	Woodrum, Va.
Furlong	Mruk	Wright
Gerlach	Murdock	Zimmerman
Gordon	Murphy	

NAYS—206

Allen, Ill.	Costello	Gregory
Allen, La.	Cox	Griffiths
Anderson,	Cravens	Gwynne
N. Mex.	Crawford	Hagen
Andresen,	Cunningham	Hale
August H.	Curtis	Hall,
Andrews	Day	Edwin Arthur
Arends	Dirksen	Hall,
Auchincloss	Disney	Leonard W.
Barrett	Dondero	Halleck
Beall	Drewry	Hancock
Beckworth	Dworshak	Harness, Ind.
Bell	Elliott	Harris, Ark.
Bennett, Mo.	Ellis	Heidinger
Bishop	Engel, Mich.	Hendricks
Blackney	Engle, Calif.	Hinshaw
Boren	Fellows	Hobbs
Bradley, Mich.	Fenton	Hoeven
Brehm	Fish	Hoffman
Brooks	Fisher	Holmes, Wash.
Brown, Ga.	Fuller	Hope
Bryson	Gale	Horan
Busbey	Gallagher	Howell
Butler	Gamble	Jenkins
Camp	Gathings	Jensen
Carlson, Kans.	Gavin	Johnson,
Carrier	Gibson	Calvin D.
Carson, Ohio	Gifford	Johnson, Ind.
Case	Gilchrist	Johnson,
Chapman	Gillette	Luther A.
Chenoweth	Gillie	Johnson, Okla.
Chiperfield	Goodwin	Jonkman
Church	Gossett	Judd
Clevenger	Graham	Kearney
Cole, Mo.	Grant, Ind.	Kee

Keefe	Murray, Wis.	Simpson, Ill.
Kerr	Norman	Simpson, Pa.
Kilburn	Norrell	Slaughter
King	O'Brien, Mich.	Smith, Ohio
Kinzer	O'Brien, N. Y.	Smith, Wis.
Kleberg	O'Connor	Springer
Kunkel	O'Hara	Stanley
LaFollette	Patton	Starnes, Ala.
Lambertson	Peterson, Fla.	Stearns, N. H.
Landis	Peterson, Ga.	Stefan
Lanham	Philbin	Stewart
Larcade	Phillips	Stockman
LeFevre	Pittenger	Sumner, Ill.
Lemke	Ploeser	Sumners, Tex.
Lewis, Ohio	Plumley	Taber
McCowen	Poage	Talbot
McGehee	Poulson	Talle
McGregor	Price	Thomas, Tex.
McKenzie	Randolph	Thomason
McLean	Rankin	Tibbott
McWilliams	Reece, Tenn.	Tolan
Maas	Reed, N. Y.	Treadway
Mahon	Rees, Kans.	Troutman
Manasco	Rivers	Vincent, Ky.
Mansfield,	Rizley	Vinson, Ga.
Mont.	Robsion, Ky.	Vursell
Mason	Rockwell	Welch
May	Rodgers, Pa.	West
Merrow	Rogers, Mass.	Wheat
Michener	Rohrbough	White
Miller, Nebr.	Rolph	Wickersham
Miller, Pa.	Russell	Willey
Mills	Schiffler	Wilson
Mott	Scrivner	Winter
Mundt	Short	Woodruff, Mich.
Murray, Tenn.	Sikes	Worley

NOT VOTING—94

Andersen,	Elmer	Miller, Mo.
H. Carl	Fay	Monkiewicz
Anderson, Calif.	Fernandez	Morrison, La.
Arnold	Fitzpatrick	O'Leary
Baldwin, N. Y.	Fulbright	O'Neal
Bland	Fulmer	O'Toole
Bloom	Gavagan	Pace
Boykin	Gearhart	Pfeifer
Brown, Ohio	Gore	Pracht
Brumbaugh	Granger	Reed, Ill.
Buckley	Grant, Ala.	Robinson, Utah
Burchill, N. Y.	Green	Rogers, Calif.
Burdick	Gross	Sabath
Cannon, Fla.	Harris, Va.	Schwabe
Capozzoli	Hébert	Scott
Carter	Hill	Shafer
Celler	Jackson	Sheridan
Clason	Jennings	Smith, Maine
Cullen	Johnson,	Smith, Va.
Curley	Anton J.	Smith, W. Va.
D'Alesandro	Johnson, Ward.	Sparkman
Davis	Jones	Stevenson
Dawson	Kennedy	Tarver
Delaney	Kilday	Taylor
Dewey	Klein	Thomas, N. J.
Dickstein	Knutson	Wadsworth
Dies	Lane	Walter
Dilweg	Lea	Ward
Domengeaux	McCord	Wasielewski
Doughton	Maloney	Wene
Douglas	Mansfield, Tex.	Whelchel, Ga.
Eaton	Martin, Iowa	Wolfenden, Pa.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

To recommit:

Mr. O'Toole for, with Mr. Elmer against.

Mr. Bloom for, with Mr. Kilday, against.

Mr. Wasielewski for, with Mr. Schwabe against.

Mr. Fitzpatrick for, with Mr. Morrison of Louisiana against.

Mr. Klein for, with Mr. Knutson against.

Mr. Pfeifer for, with Mr. Anton J. Johnson against.

Mr. O'Leary for, with Mr. Reed of Illinois against.

Mr. Cullen for, with Mr. Miller of Missouri against.

Mr. Delaney for, with Mr. Green against.

Mr. Capozzoli for, with Mr. Arnold against.

Mr. Dickstein for, with Mr. Fulbright against.

Mr. Fay for, with Mr. Ward Johnson against.

Mr. Buckley for, with Mr. Cannon of Florida against.

Mr. Celler for, with Mr. Monkiewicz against.

Mr. Gavagan for, with Mr. Douglas against.

Mr. Lane for, with Mr. Smith of West Virginia against.

Mr. Burchill of New York for, with Mr. Wolfenden of Pennsylvania against.

General pairs:

Mr. Bland with Mr. Shafer.

Mr. Curley with Mr. Brumbaugh.

Mr. Grant of Alabama with Mr. Taylor.

Mr. Harris of Virginia with Mr. Dewey.

Mr. Pace with Mr. Martin of Iowa.

Mr. D'Alesandro with Mr. Clason.

Mr. Jackson with Mr. Wadsworth.

Mr. Hébert with Mr. Gearhart.

Mr. Rogers of California with Mr. Baldwin of New York.

Mr. Mansfield of Texas with Mr. Brown of Ohio.

Mr. Kennedy with Mr. Jennings.

Mr. Smith of Virginia with Mrs. Smith of Maine.

Mr. Dilweg with Mr. Jones.

Mr. Sabath with Mr. Anderson of California.

Mr. O'Neal with Mr. Hill.

Mr. Doughton with Mr. Eaton.

Mr. Sparkman with Mr. Scott.

Mr. Tarver with Mr. Stevenson.

Mr. Lea with Mr. Pracht.

Mr. Whelchel of Georgia with Mr. Thomas of New Jersey.

Mr. Boykin with Mr. Carter.

Mr. Walter with Mr. Gross.

Mr. LYNCH changed his vote from "no" to "aye."

Mr. GIBSON changed his vote from "aye" to "no."

Mr. CRAWFORD changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

Mr. MONRONEY. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER (after counting). Sixty-seven Members have arisen; not a sufficient number.

So the yeas and nays were refused.

Mr. PATMAN. Mr. Speaker, I ask for a division.

The question was taken; and on division there were—ayes 171, noes 92.

So the bill was passed, and a motion to reconsider was laid on the table.

Mr. DISNEY. Mr. Speaker, I move to amend the title so as to read "A bill to fix the price of crude petroleum and its derivatives, and fixing a parity formula."

The SPEAKER. Without objection, the motion is agreed to.

There was no objection.

COURT REPORTERS IN THE DISTRICT COURTS OF THE UNITED STATES

Mr. HANCOCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3611) to authorize the employment of court reporters in the district courts of the United States, to fix their duties, to provide for their compensation, and for other purposes, with Senate amendments, disagree to Senate amendments and agree to the conference asked.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. HANCOCK]?

[After a pause.] The Chair hears none and appoints the following conferees: Mr. SUMNERS of Texas, Mr. HOBBS, and Mr. HANCOCK.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement by a profound Irish scholar, a great student of administrative law, a former member of the Interstate Commerce Commission, Mr. Thomas W. Woodlock.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMANDER EDWARD H. (BUTCH) O'HARE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a short newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Speaker, on April 21, 1942, I stood on this floor and proudly spoke of the outstanding achievements of a young man whom I had the honor to appoint to the Naval Academy. He had just engaged the enemy and single-handed destroyed five Jap planes. I told how the people of St. Louis were likewise proud of this native son. Today the people of St. Louis, like myself, are sad because Commander Edward H. (Butch) O'Hare is reported missing in action since the night of November 27, and, in the opinion of naval officers, he has paid the supreme sacrifice.

The Navy Department has little information, but the correspondents have told the story. They have quoted his comrades, one saying O'Hare took a Jap plane with him. It was his ninth.

Commander O'Hare was assigned the job of selecting the pilots to attack the enemy. It was typical of O'Hare to assign himself to take to the air. Their duties were to protect the carriers.

O'Hare was credited with having saved the carrier *Lexington* when he destroyed the five Jap bombers in February 1942.

I was in the party when President Roosevelt presented him with the Congressional Medal of Honor, on which occasion the President read the following citation:

For gallantry and intrepidity in the area of combat, at grave risk of his life above and beyond the call of duty, as section leader and pilot of Fighting Squadron 3, when, on February 20, 1942, having lost the assistance of team mates, he interposed his plane between his ship and an advancing enemy formation of nine attacking twin-engined heavy bombers

Without hesitation, alone and unaided, he repeatedly attacked this enemy formation at close range in the face of their intense combined machine-gun and cannon fire, and despite this concentrated opposition, he, by his gallant and courageous action, his extremely skillful marksmanship making the most of his limited amount of ammunition, shot down five enemy bombers and severely damaged a sixth before they reached the bomb-release point.

As a result of his gallant action, one of the most daring, if not the most daring single action in the history of combat aviation, he undoubtedly saved his carrier from serious damage.

Following the presentation, "Butch" asked me to accompany him home, saying he was to present to the city of St. Louis the Navy E. I told him the people wanted to see him, not me, and I declined. Then O'Hare said:

The Navy has arranged a schedule for me to make some speeches at airplane plants. I don't like that job. I want to get back and help to end this war, the sooner the better.

His attractive wife whom I escorted to the White House offered no comment.

Never before had carriers launched their planes at night. It was during this night he lost his life.

Rear Admiral Arthur W. Radford, commander of the task force is quoted as saying:

"Butch" with accompanying planes saved my formation from certain torpedo hits. I am recommending him for a second Congressional Medal of Honor.

I contacted the Navy Department and other than the brief regular dispatches, advising that O'Hare was missing in action, they have no information and therefore I include as part of my remarks the article written by Charles P. Arnot of the United Press and the article written by Eugene Burns of the Associated Press. They follow:

O'HARE HELPED SAVE UNITED STATES FORCE BEFORE PLANE WAS DOWNED

(By Eugene Burns)

ABOARD A UNITED STATES CARRIER IN THE CENTRAL PACIFIC, NOVEMBER 29 (delayed).—Lt. Comdr. Edward H. (Butch) O'Hare, famous fighter pilot, was shot down in a night air battle over the central Pacific two nights ago while American airmen were breaking up an attack of 30 or 40 Japanese torpedo planes on a United States carrier force, his flying companions said today.

It was the first time in a naval action that carriers had launched their aircraft at night. Butch decided to go up himself with the squadron.

Stories told by a squadron commander, a fighter pilot, radioman, and gunner, the last to see O'Hare in the air, were not in complete agreement. But the action was swift and in the darkness it was natural that none of them would know exactly what happened.

"For 3 days Butch and I were standing by for our Japanese-stalking attack," said Lt. Comdr. John L. Phillips. "We had difficulty sticking together when it got dark. But we were lucky and were joining up when we ran smack into the Japs rendezvousing.

ONE JAP SHOT DOWN

"Butch came up on my starboard and Wingman Skon on the port. Then my gunner, Kernan, saw a fourth plane coming up below Butch. I gave him permission to fire as soon as we were within range. At that same time I overhauled a Jap and got into his slipstream and at 50 yards knocked him into a tea kettle.

"Meanwhile on the other side of our carrier task force, 30 miles distant, a Jap dropped a series of flares for a torpedo attack illumination and our ships were clearly outlined.

"I was closing in on a second Jap when the fireworks started. I was shooting at a Jap, and my gunner was shooting at a Jap who in turn was shooting at O'Hare.

"My target exploded and blew up beautifully, with at least a quarter of a mile torch of gasoline trailing behind him before he hit the water.

"While I was watching the Jap burn I saw something drop straight off into the water, making a big splash. Then I thought, 'My God, that may be Butch.'

"'Butch, this is Phil.' I attempted to make contact, calling, 'Butch, this is Phil' over and over, but I got no response. I kept thinking the splash lasted a long time, and it may have been Butch's parachute. Now I think it was a Jap plane which Butch shot down."

Ensign Warren A. Skon, 24, of St. Paul, Minn., who was flying wing on O'Hare when they started to join Phillips, said, "The air was suddenly thick with Japs.

"One Jap had dropped a flare, and this may have been the plane Phillips shot down.

"As we joined on Commander Phillips, Butch said, 'You take the side you want.' I said, 'I'll take the port.'

"'Roger,' he said, and that was the last word he said.

"Then I saw tracers around his plane. I saw it sheer off and drop quickly below us."

Another version of the last seen of O'Hare, termed by President Roosevelt one of the greatest combat flyers of all time, was told by Aviation Ordnanceman Alvin B. Kernan, 20, of Saratoga, Wyo.

"I saw Butch and Skon joining up," he said. "Then as I looked to the starboard a fourth plane was closing in on us. It was very dark, but because I could see Skon off our port I knew this was a Jap."

BLINDED BY TRACERS

"I informed Mr. Phillips, and he gave me permission to fire as soon as he was in range. My tracer fire seemed to go into him, but I was blinded by tracers and my gun muzzle, which was white with heat. I don't know whether I shot down the Jap.

"While I was firing I saw Commander O'Hare do a wing-over across the top of us, and he disappeared into the darkness. A few moments later it seemed that he reappeared and made an outside loop. Then he was gone."

Lt. (Jr. Gr.) Hazen B. Rand, 25, Avon, Mass., who was shot in the foot during the action, said:

"I saw a fourth plane's guns blinking red, and he was shooting at Butch while our gunner, Kernan, was shooting at the Jap.

"I overheard Kernan tell Commander Phillips that he was opening fire, and Phil in turn told Butch, 'Butch, there's a Jap plane coming into your tail.'

"Then Butch's lights went off. I looked again, and he was gone."

Butch landed at Tarawa, for the first carrier plane landing there since American conquest of the Gilbert Islands, to study the field. He also had a personal interest because he had "hell-catted" that area before and during the landing operations at Makin and Tarawa.

Since dawn of November 27 a relentless search for him has been conducted by carrier groups and by planes from Tarawa. The search allows for a 20-mile drift due to the heavy Gilbert currents. An area of 2,000 square miles has been crisscrossed, boxed, and scouted.

Oil slicks and jetsam from enemy planes and a blue-gray overturned Japanese life raft were found by Acting Torpedo Plane Squadron Commander Bill Privette, of Chapel Hill, N. C.

The reconstructed story of the men who flew with O'Hare indicated that the lieutenant commander took one Jap torpedo plane down with him. It was his ninth.

Commenting on the action, Rear Admiral Arthur W. Radford, commander of the task force, said:

"Butch, with accompanying planes, saved my formation from certain torpedo hits. I am recommending him for a second Congressional Medal of Honor."

As I write on Lieutenant Commander O'Hare's ready-room typewriter, an aviator drifts in and sits down, avoiding his comfortable black-leather reclining chair. The aviator stares dead ahead.

Without introducing the subject, he says: "Despite our great engines of destruction, enormous tanks, guns of battleships and carriers, it remains that one determined man can settle a battle." He meant Butch's leadership in repelling the attack.

Butch O'Hare's aide, Lt. Wallace M. Parker, of Pittsburgh, Pa., adds: "Butch did it twice."

O'Hare was awarded a Congressional Medal of Honor for shooting down five Japanese planes, single handed, which attempted to attack the aircraft carrier *Lexington* in the South Seas in 1942.

"WITHOUT TRACE"—"BUTCH" O'HARE SHOT DOWN DEFENDING AIRCRAFT CARRIER—HERO OF OLD LEXINGTON IS "MISSING" IN MARSHALLS; COMRADES GIVE UP HOPE

(By Charles P. Arnot)

Aboard a United States aircraft carrier in the central Pacific, November 30 (delayed).—Lt. Comdr. Edward H. "Butch" O'Hare, one of the Navy's greatest fighter pilots, has been missing for 3 days after a sky battle in which a Japanese plane got into an American formation, apparently by mistake, and probably shot down the St. Louis ace.

UNDER HIS OWN ORDERS

O'Hare, decorated with the Congressional Medal of Honor by President Roosevelt for shooting down 5 Japanese bombers February 20, 1942, and single-handedly saving his carrier, the old *Lexington*, from destruction, went down in a Hellcat fighter off the Marshall Islands while engaging part of an estimated force of 30 to 40 Japanese torpedo planes which launched a desperate attack on this carrier force.

Just as darkness was settling down the attack came, and O'Hare was in the air to meet it.

Night flying from a carrier is one of the war's most dangerous assignments. It was the job of 29-year-old O'Hare, an Annapolis graduate, to assign pilots for the job, and he assigned himself.

Those with him included Lt. Comdr. John L. Phillips, Jr., 33, Front Royal, Va., skipper of a torpedo plane squadron, and Ensign Warren A. "Andy" Skon, 24, St. Paul, who flew a Hellcat.

INTRUDER FIRED UPON

The Hellcats took off just at dusk as reports came in that enemy "snooper" planes were spotted on the horizon.

Roaring into the main Japanese attack force, the trio spread confusion among the enemy and disrupted his plan of attack. Phillips bagged two planes and O'Hare possibly one.

After reconstructing the action, it is now generally conceded that O'Hare was shot down by a Jap plane which joined the formation of American planes apparently by mistake.

As the interceptor planes pulled into formation, Phillips was in the middle, with Skon on his left and O'Hare on his right, slightly behind and below. According to Skon and Phillips, a fourth plane suddenly appeared in the formation off O'Hare's starboard quarter and above him.

When Phillips, in a torpedo plane, spotted the extra plane his turret gunner, Aviation Ordnanceman First Class Alvin Kerman, 20, Saratoga, Wyo., opened up on the intruder.

According to the evidence, the Jap replied by firing at the closest plane, which was O'Hare. O'Hare slid from formation, passed under Phillips' and Skon's planes and faded away in the darkness.

JAP PLANES ABLAZE

Near the spot where O'Hare went down Phillips said there were two Japanese planes burning on the water.

"I thought at the time if Butch had to go he couldn't have had a more fitting monument than those flaming Jap planes," Phillips said.

The night O'Hare was lost every man aboard this carrier hoped against hope. From the ship's loudspeaker they learned that he had failed to return.

Search planes immediately began patrolling the area where O'Hare last was seen plunging into the water, but day after day the pilots returned without seeing a thing. Even those men who first were confident O'Hare would be picked up admitted tonight they have practically lost hope.

MISSING OFFICIALLY

Officially, however, he is listed only as missing.

It was established tonight that O'Hare was responsible to a large degree for breaking up the Pacific war's largest night torpedo plane attack which the Japs launched without success against this force.

O'Hare, air group commander on this ship, himself worked out the details of the interception plan with Rear Admiral Arthur W. Radford, Grinnell, Iowa, the task force commander. It was the first time fighter planes had been used from a carrier against night raiders, and it was O'Hare's own idea that he fly one of the night fighters.

Phillips was selected for the night assignment because he was a veteran of 1,200 hours of instrument flying. Skon, former tennis player at the University of Minnesota, was selected to fly a Hellcat because he had been flying with O'Hare much of the time since Butch came aboard this carrier as air group commander.

Phillips, during the encounter, had a field day. He found himself in the midst of the main Jap attack group and closed with two raiders—torpedo-carrying Mitsubishi bombers, sending both crashing into the sea.

Immediately after his return he told the following story:

"There were lights flashing below and around. I guess we were right in the middle of a Jap force. I heard Butch call me over the interplane communication system to switch on my top light so he could judge the distance between us. When I looked again I saw not only Butch's plane but off my starboard another—undoubtedly Jap. The Nipper apparently saw our running lights and figured we were some of his buddies and was pulling into formation for the homeward trip."

BELIEVE HE WAS HIT

Both Skon and Phillips said that after the Jap fired O'Hare did not communicate with them further, and they believed he either was killed outright or was seriously wounded.

"I saw Butch's plane pass suddenly below Phillips and me," Skon said. "Then over to my left I could see him swoop upward just like he was going into a wing over. I thought Butch was going to make a gunnery run since we'd spotted flares to the north and figured there were more Japs off there. But I couldn't understand why Butch didn't radio me he was going to peel off."

"Just after Butch's plane passed under us I spotted something going down toward the water," Phillips added. "It looked to me like a parachute and I figured at the time Butch bailed out. I was watching the water closely and almost was sure I saw a splash. It was pretty dark to make certain. I remember we were about 25 miles from the carrier at the time because I took a bearing on the spot."

PERMISSION TO ADDRESS THE HOUSE

Mr. MAY. Mr. Speaker, I ask unanimous consent that on Wednesday next after the disposition of business on the Speaker's table and other special orders I may address the House for 30 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in two instances: In one extension to include two editorials from the Moline Despatch and in another an editorial from the Saturday Evening Post.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in connection with Vice Admiral John W. Greenslade of the 12th Naval District and to include a newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to extend by own remarks in the RECORD and to include a number of excerpts from the Railway Employees' Journal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an address by Rear Admiral Thomas L. Gatch, Judge Advocate General of the Navy, entitled: "Total War—Total Peace."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ANNOUNCEMENT

Mr. DOMENGEAUX. Mr. Speaker, my name is not recorded on the motion to recommit. I was in the Chamber listening. I wish to have my vote recorded as "no."

The SPEAKER. If the gentleman did note vote one way or the other the RECORD cannot be corrected now because there is not anything to correct.

Mr. DOMENGEAUX. Mr. Speaker, I wish this comment to be recorded.

EXTENSION OF REMARKS

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a bill I have introduced.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAYS. Mr. Speaker, I desire to submit two unanimous-consent requests: First, to revise and extend my own remarks and to include a statement by Hon. Marvin Jones; and second, that I may revise and extend the remarks I made in the Committee of the Whole today.

The SPEAKER. Without objection, the requests of the gentleman are granted.

There was no objection.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to have inserted in the Appendix of the RECORD a petition which I have received from the Lackawanna Valley Underwriters' Exchange relative to certain insurance rates.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Washington Daily News by Raymond Clapper under date of December 10, 1942, entitled: "Wilson's Rebuke."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROWE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent to insert my own remarks in the Appendix of the RECORD and to include therein a short article from the Daily Oklahoman.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include an editorial from the New York Journal of Friday, December 10.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I have two requests: One to revise and extend the remarks I made in the Committee of the Whole this afternoon and to include therein a letter to Mr. W. A. D'Ewart; and the other to insert in the RECORD a copy of a letter I wrote to the chairman of the Reclamation Association of Montana, along with other matter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include certain excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include a statement that soldiers' wives addressed to the Congress of the United States.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Tennessee [Mr. REECE], be permitted to extend his own remarks in the RECORD and include therein a copy of the Tennessee absentee voting law.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOMENGEAUX. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include an editorial from the New York Daily Mirror.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. DOMENGEAUX]?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Binghamton Press.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MUNDT. Mr. Speaker, I ask unanimous consent that on Wednesday next, after disposition of business on the Speaker's desk and at the conclusion of any other special orders heretofore entered, I may be permitted to address the House for 15 minutes on the subject How to Identify a "Gwibit."

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

EXTENSION OF REMARKS

Mr. BLACKNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. BLACKNEY]?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three subjects and to include two brief editorials.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. MILLER]?

There was no objection.

Mr. BREHM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an enlightening article in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. BREHM]?

There was no objection.

Mr. HORAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Spokane Spokesman-Review.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. HORAN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that on Thursday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 1 hour on the subject War in the Pacific.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

EXTENSION OF REMARKS

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by George Gallup, appearing in the Chicago Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. ROWAN]?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, first, by including an article in the Appendix of the RECORD by Harold Ickes, Secretary of the Interior, and, second, by extending in the RECORD a splendid article, and very timely, by Samuel Goldman.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to include in the remarks I made today certain tables.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

FIRST SUPPLEMENTARY NATIONAL DEFENSE APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 3598, the first supplementary national defense appropriation bill, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. The Chair would much prefer that the gentleman defer that request until tomorrow because several Members have been to the desk and have asked when the gentleman was going to make his request and that they would like to be on the floor when it is made. The Chair knew nothing about the gentleman intending to make this request.

Mr. CANNON of Missouri. Mr. Speaker, I have notified everyone, but I have no objection to letting it go over until tomorrow.

The SPEAKER. The gentleman did not speak to the Chair about making the request this afternoon. Several Members were here during the last roll call and asked that they be put on notice when the gentleman made his request.

Mr. CANNON of Missouri. Mr. Speaker, I will be glad to withdraw the request.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include two splendid editorials, one appearing in the Baltimore Sun and one appearing in the New York Herald Tribune, complimenting the distinguished gentleman from Texas [Mr. RAYBURN] on his recent speech.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. CHURCH]?

There was no objection.

The SPEAKER. Under previous special order of the House, the gentleman from Indiana [Mr. LAFOLLETTE] is recognized for 40 minutes.

THE INSURANCE BILL

Mr. LAFOLLETTE. Mr. Speaker, on December 9 I extended in the Appendix of the RECORD my reasons for opposing H. R. 3270, which is generally known as the insurance bill. On the same day I made a 1-minute speech saying I had extended those remarks, and that I would be here today under special order to discuss my objections to the legislation, particularly in view of the fact that I oppose the legislation, which the majority members of the committee are in favor of, and also my reasons do not parallel the reasons taken by the minority in opposition. I also would like this RECORD to show that I mailed to each member of the Committee of the Judiciary, without regard to his position on this legislation, a copy of the remarks which I extended, which indicated that I would be here today.

The remarks which I extended in the RECORD represented about 3 weeks of earnest study on my part, because there are certain very fundamental things involved in this legislation to which I must be unalterably opposed. They are long. I do not anticipate that many Members will find the time to read them.

My objections are divided into three points:

First, I am convinced that this bill is definitely worded to deprive the Supreme Court of the United States of jurisdiction on litigation pending before it at this time. The language of this bill is most peculiar. It is seldom found in legislation which has for its purpose dealing with past legislation. The most significant words in the bill are the words that nothing in the Clayton Act or the Sherman Act shall be construed to apply to the business of insurance.

We are discussing existing legislation, which is the Sherman Act and the Clayton Act. Now we come in with a bill, in one case 50-some years after legislation was passed, and in the case of the Clayton Act some 28 or 29 years later, and say that nothing in the things that we did in 1890 or 1914 shall be construed to apply to the insurance business.

There is pending in the Supreme Court the case of the United States of America against the Southeastern Underwriters Association, a case which went up on appeal from the District Court of Georgia on a demurrer to the complaint by the defendants, and which was sustained by the lower court on the theory that the insurance business was not within the purview of the antitrust laws. Now we have that case pending. We are entitled to inquire why we say that these laws shall not be construed to apply to the insurance business when, by virtue of appeal, this case is now pending in the Supreme Court of the United States.

I got my first lead as to the purpose of this peculiar construction from a study of the hearings. At page 150 of the hearings, at the top of the page, the distinguished chairman of the House Committee on the Judiciary, who is not here now, in discussing the peculiar language of this bill, said this:

> The language is almost identical with the language of the eleventh amendment to the Constitution, and the Supreme Court in that case held that the effect of it was to control the determination of the Supreme Court with reference to a pending case.

That case, which we must assume the Judiciary Subcommittee and its chairman had knowledge of at the time this legislation was presented to them, is the case of Hollingsworth and others against Virginia. After the ruling in Chisholm against Georgia, which upheld the right of citizens of other States to sue a State, the eleventh amendment was adopted, which specifically states:

> The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state.

Therefore, by that amendment, part of the jurisdiction previously granted to the Supreme Court under the Constitution was taken out. It was taken out by words which said that the judicial power "shall not be construed" to extend to certain kinds of litigation. The Supreme Court, on the day succeeding the argument, delivered a unanimous opinion that—

> The amendment being constitutionally adopted, there could not be exercised any

jurisdiction in any case, past or future, in which a State was sued by the citizens of another State or by citizens or subjects of any foreign state.

In other words, the exact same situation as that which prevailed in Chisholm against Georgia was pending in the Supreme Court in the case of Hollingsworth against Virginia at the time the eleventh amendment was adopted, which amendment said that, notwithstanding the prior constitutional authority for the Supreme Court's exercising jurisdiction in the case of Chisholm against Georgia, it could no longer exercise that jurisdiction.

Then the Supreme Court states that the effect of the eleventh amendment was to deprive it of jurisdiction of all cases similar to Chisholm against Georgia pending on its docket when the eleventh amendment was adopted.

To me it is not without design that the language which we find in this bill, H. R. 3270, adopted the language of the eleventh amendment. Because otherwise we could not stop the Supreme Court from passing upon the case of the insurance companies which is now pending in that Court. In fact, as I have pointed out above, the chairman of the House Judiciary Committee seems to entertain the same view. So far as I am concerned there can be no question as to the impropriety of this interference with judicial procedure. There can be no question as to the impropriety of interference by any branch of the Government with the sanctity of the courts and their procedure. I was bitterly opposed to the so-called court-packing legislation, because that constituted administrative and executive interference with the Court. I am equally driven to the conclusion that here we have special litigants coming to the Congress of the United States and saying to us, "Will you interfere on behalf of us and make a specialty of our case even though this request will stultify orderly judicial procedure?"

Mr. VOORHIS of California. Will the gentleman yield?

Mr. LAFOLLETTE. I yield.

Mr. VOORHIS of California. Does not the gentleman agree furthermore if Congress took that action with regard to one industry, there is no logical reason why industry after industry could not come in and ask for similar legislation every time they got into trouble with the antitrust law?

Mr. LAFOLLETTE. There is no question about that, but I think there is even a stronger point to make. Time after time I have gone into court defending insurance companies. Time after time their representatives have discussed with me the danger of somebody getting to the jury, and the honesty of the judge, and the prevailing opinions and prejudices of prospective jurors in the community in which the case was to be tried. We were constantly on guard against interference by a plaintiff with orderly judicial processes. I have never been derelict in my duty to protect any of those companies in that right. And yet here we have the very people whose solvency, in effect, depends upon the maintenance of an orderly respect for the judiciary, coming in and asking for special consideration of a most unusual character by legislative interference, when they have always asserted heretofore a great interest in the purity of the judicial system and the honor of the system and have been greatly concerned lest there be some perversion of justice.

Further than that, I have also taken into court before justices of the peace some poor little fellow earning a wage who was yanked into court. He was under an obligation, we will say. There was some dispute as to his right.

I have not forgotten when I represented those people, they did not like the justice of the peace that they had to try their case before, but there was nothing for me to say to them except, "You have got to respect this judicial system. We have got to try this case to the end before the justice who is presiding. He was duly elected. I cannot do anything to interfere with the procedure. I will not practice 'fix' for you. Under the law you are not entitled to try this case anywhere else or before any other justice of the peace. We will have to try the case before the justice who is presiding."

How long can we continue to say that to the little people of the country if we adopt this legislation which accords a special privilege to a vast organization affecting the rights and the interests and property of people all over the country, a vast organization whose property rights depend upon the continued maintenance of an orderly judicial system? I cannot with good grace say to the little man, "You must respect this system," and then vote for legislation of a special character which has for its purpose depriving the Supreme Court the right to pass upon the pending litigation of any vast corporate interests; legislation which has the further purpose of freeing a defendant before that Court from the consequences of his own act.

Mr. Speaker, I took this special order out of a sense of obligation and fairness to the members of the Committee on the Judiciary in order that I might answer any objections which they might raise to the rather elaborate and involved legal and economic agreements which I have extended into the RECORD heretofore on December 9, 1943. I did not issue a challenge in the sense of being a braggart, but I did feel that I was under an obligation to give those men who supported this legislation a chance to question the soundness of my position. I am entitled to note that not a single member of the Committee on the Judiciary is present in this body as I now address it, notwithstanding the fact that I gave personal notice by mail to each and every member. Under the circumstances, Mr. Speaker, I ask unanimous consent that I may extend and revise my remarks and include therein certain excerpts and quotations.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LAFOLLETTE. I desire to extend my remarks at this particular time only to cover about two situations: First, in my extension of remarks of December 9, at page A5385 of the Appendix of the RECORD, I charged that the argument that Federal regulation is bound to follow unless this bill is adopted was fallacious, first, because prosecutions under the antitrust law are not Federal regulation in any sense of the term, and that is all that this bill reaches; second, that the United States Circuit Court of Appeals for the Seventh Circuit had decided on June 5, 1942, in the case of *Polish Alliance, etc.*, v. *National Labor Relations Board* (136 Fed. (2d) 175, at bottom of p. 178 to top of p. 179), that the business of insurance was commerce.

Since it is elemental that any congressional enactment attempting to place Federal control over interstate commerce must first be limited to a regulation of commerce because it derives its basic authority from the Constitution, it follows that it does not make any difference what particular Federal regulation is being construed, as long as it is a regulation, which is based upon the power of the Federal Government to regulate commerce under the Constitution. It is also a fact that the Polish Alliance case is now pending in the Supreme Court. It also follows that if the Supreme Court should sustain the opinion of the Seventh Circuit Court of Appeals in the Polish Alliance case, that then the question of whether the insurance business is commerce as a question of ultimate fact would be expressly held by the Supreme Court upon a showing of fact which apparently, to some extent, parallels the facts in the Southeastern Underwriters Association case. Consequently, if the Supreme Court upholds the opinion of the Seventh Circuit Court of Appeals, there can be no question any longer that insurance is commerce, therefore H. R. 3270 would, in substance, say, that even though insurance is commerce, it shall not be subject to the antitrust law; but the passage of the legislation would leave the power to regulate by regulatory bodies, such as the Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission and others, wide open, subject to the enactment of legislation to that effect if the Congress so saw fit. It clearly follows therefore that the propaganda being put out to the insurance agents and the State insurance commissions that this bill must be passed in order to avoid regulation is utterly false. The proponents of this legislation should be able to understand that fact, even though they have not yet told the Members of this Congress that that is true.

It seems proper, therefore, for me to let the membership of the House know what the holding was in the Polish Alliance case. I therefore insert the pertinent parts of that opinion:

Major, Evans, Sparks, Judges.

Major, Circuit Judge * * *: Petitioner also contends that it is not within the act, even though it be held to be in the insurance business, for the reason that insurance is not commerce. A long line of Supreme Court decisions have so held, or at any rate have held that the issuing of a policy of insurance is not a transaction in commerce. *Paul* v. *Virginia* (75 U. S. 168); *Hooper* v. *California* (155 U. S. 648; *N. Y. Life Insurance Co.* v. *Cravens* (178 U. S. 389); *N. Y. Life Insurance Co.* v. *Deer Lodge County* (231 U. S. 495). The support which these cases afford petitioner's contention is not so real as first impression might indicate. Certainly they are not decisive. It must be noted that in each of them the Court was considering the power of the State to tax or regulate, and not the power of Congress under the commerce clause. It has frequently been held that in the line which marks the beginning of the State's power to tax or regulate is not the terminal boundary of Federal power. "It does not follow that because a thing is subject to State taxation it is also immune from Federal regulation under the commerce clause."

Binderup v. *Pathe Exchange* (262 U. S. 291, 311). To the same effect, *Swift & Co.* v. *United States* (196 U. S. 375, 400); *Chicago Board of Trade* v. *Olsen* (262 U. S. 1, 33). The cases dealing with the power of the State were again distinguished in the recent case of *Wickard* v. *Filburn* (317 U. S. 111). On page 121 the court said:

"For nearly a century, however, decisions of this Court under the commerce clause dealt rarely with questions of what Congress might do in the exercise of its granted power under the clause, and almost entirely with the permissibility of State activity which it was claimed discriminated against or burdened interstate commerce. During this period there was perhaps little occasion for the affirmative exercise of the commerce power, and the influence of the clause on American life and law was a negative one, resulting almost wholly from its operation as a restraint upon the powers of the States."

I have based my opposition to the pending legislation on the proposition that there is a distinct difference between the court as an instrument of our constitutional democracy and the personality of the judges of that court. But since it seems to be popular now to attack a court by questioning the opinions of the judges, it should be proper to say that Judge Evan A. Evans was appointed by Woodrow Wilson May 10, 1916, and was a Wilsonian Democrat; that Judge William M. Sparks was appointed by Herbert Hoover on October 31, 1929, and was not only an outstanding Indiana jurist at the time of his appointment, but a lifelong and almost devout Republican; and that Judge J. Earl Major was appointed by President Roosevelt on March 23, 1937. And, since it is also a popular practice of the proponents of this legislation to attempt to stigmatize a court by questioning the judicial mindedness of the judges appointed by President Roosevelt, as a member of the bar of the Seventh Circuit Court of Appeals, who feels that he is acquainted with the general reputation of Judge Major among the members of that bar, I unhesitatingly say that he bears an excellent reputation among the members of the bar of that court for intellectual honesty and forthrightness. It might be added, in passing, that it was Judge Major who wrote the opinion last summer denouncing the act of Congress placing all O. P. A. appeals in Washington, which decision and opinion is used most frequently by the proponents of Discharge Petition 13, which I have signed.

It also seems proper to point out—in addition to the previous argument I made against the so-called effectiveness of the statement of Senator Turpie referred to by a member of the committee—that at page 112 of the hearings Senator Turpie's remarks are referred to and referred to again in the Majority Report at page 8 of the report on this bill.

The extent of the reference made in the hearing at page 112 was this:

To us it is clear that the principle of those decisions was the law of the land at the time of the enactment of the Sherman and Clayton Acts and therefore Congress did not intend those acts to apply to insurance. In this connection it may be noted that, when the Senate was debating the enactment of the Sherman Act, Senator Turpie, of Indiana, specifically called attention to the fact that the word "commerce" did not include insurance in view of the ruling on that subject by the Supreme Court.

In passing, the above statement, "the principle of those decisions was the law of the land" is highly inapplicable to the Sherman Act because the Sherman Act was passed in 1890 and the only case then decided was the case of Paul against Virginia, which was the only case referred to by Senator Turpie.

In the report we find the following statement:

Under a long line of decisions of the Supreme Court, insurance is not commerce and if it is not commerce, neither the Sherman Act nor the Clayton Act should apply. Those Supreme Court decisions were in the mind of Congress when the Sherman Act became the law. This is clear from a reading of the debates in the Senate attending the passage of that act. There Senator Turpie called attention to the fact that under the Supreme Court decisions the word "commerce" did not include insurance.

Again we find the same mistake made with reference to the Sherman Act as was made in the hearings. The report says "those Supreme Court decisions were in the mind of Congress when the Sherman Act became law," inferring more than one decision. But the report failed to point out to the membership of the House that the only decision in existence at the time of the passage of the Sherman Act was Paul against Virginia, decided in 1869. Every other case cited in the hearings or the report was decided after the Sherman Act was passed, so that the Congress could not have had them in mind at the time it was passed.

I think that the Members of the House are entitled to know that what Senator Turpie actually said during the debates was much more extensive than that which was developed at the hearings and which the committee has reported to the House. In CONGRESSIONAL RECORD 21, part 3, Fifty-first Congress, first session, March 7 to April 4, 1890, at page 2556, recording the debates during the passage of the Sherman Act on March 24, 1890, we find the following statements made by Senator Turpie, a Democrat of Indiana:

I apprehend there are very few of us of this generation who have the slightest conception what this domain, referring to the commerce clause, very extensive in its character, shall yet include or embrace. Congress has seen fit heretofore to enter this domain very partially, only upon one or two or at the most three times, and then to go no very great distance. The progress made in it has been always, and must be, dual. The jurisdiction conferred on the United States courts, arising under the Constitution and laws of the United States, is not self-operative. It always requires the act of Congress in the first place and the judgment of the court in the second place to make any progress at all in that domain. Congress must take the initiative. We must take action upon the subject matter, and if our own jurisdiction in respect to such subject matter is sustained by the courts the judicial jurisdiction in the courts is then sustained in respect to such subject matter and the methods by which it is to be adjudicated.

The Senator from Missouri [Mr. Vest] spoke the other day about the difficulty of defining the word "commerce," especially as contained in the phrase "interstate commerce." I recollect one judicial decision upon this subject very definitely. The Supreme Court has decided that insurance is not commerce, and I suppose by following the circle of negations long enough and excluding all the things not commerce we should come at last to the residuum, which must be commerce or interstate commerce, because it can be nothing else. A fortiori, judging from this principle, I should myself have decided that transportation is not commerce or interstate commerce either. It cannot be. It is only a means of conducting commerce, notwithstanding the courts and Congress have decided and have judicially determined that transportation is a matter so nearly related to interstate commerce that both Congress and the Federal courts have jurisdiction in relation to it under the clause giving us the power to regulate interstate commerce.

On page 2557:

I feel inclined to make the prediction, as one of the things to come in this vast domain, scarcely touched, of cases arising under the Constitution and laws of Congress, that the whole mass of merchantable paper known as negotiable by the law merchant, made at one place, negotiable at another, payable at another, transcending in its negotiation State lines, will be remitted to congressional action, and with respect to its creation, its formation, its negotiation, with respect to all the rights and liabilities which may arise under it, the people stunned with the eternal dissonance of conflicting decisions and judgments of 48 or 50 tribunals of last resort in the States upon the subject of interstate negotiable paper will require Congress to act therein, and that, unconstitutional as I now deem it or think it, it will as a matter of necessity be done, and in any such legislation with respect to that paper, the whole bulk of it, the personal and peculiar conditions of litigants will not be inquired about, but simply whether the one party or the other is entitled to relief or liable to recovery against him by reason of being a party to interstate commercial paper, negotiable and payable and usable under the action of Congress which may finally take place upon that subject.

From these statements I conclude that there is grave doubt as to whether Senator Turpie accepted the opinion of Paul against Virginia as good law. I think he did not, if we read everything that he said, and I think that the Members should know all that Senator Turpie said on the commerce clause before forming their own conclusions as to the congressional intent. Certainly the Members of the House should have more than appears in the hearings and the report before they accept the conclusions presented to them by the House Judiciary Committee from the meager disclosure of Senator Turpie's actual remarks set out in the hearings and the committee report.

Furthermore, I do not believe that Senator Turpie thought that insurance was not commerce because we find in reading what he said at page 2557 of the CONGRESSIONAL RECORD that he reached the conclusion that engaging in the banking business was commerce—and there is certainly a close parallel between the way in which insurance business is conducted and the banking business is conducted—and was such a firm believer in a broad understanding of the nature of the term "commerce" that he anticipated by some 50 years the opinion of the Ninth Circuit Court of Appeals in the case of *National Labor Relations Board* v. *Bank of America* (130 Fed. (2d) 624), certiorari denied April 19, 1943, 318 United States 791, petition for rehearing denied May 24, 1934, 63 S. C. 1171, which upheld the very proposition Senator Turpie made in the Senate in 1890.

From the statement made by Senator Turpie over 50 years ago by which he concluded, from the primary facts inherent in the conduct of the banking business that, as an ultimate fact, that business was commerce within the meaning of the commerce clause of the Constitution, it is proper to conclude that his thinking was quite similar to that of the present justices of the Supreme Court, as evidenced by the decisions which they are presently rendering for that Court. From this I conclude that if Senator Turpie were living today and were, at present, a justice of the Supreme Court of the United States, instead of revering him with crocodile tears and calling upon his name in vain, the insurance companies, whose interests are involved in this proposed legislation, would still be asking that this same legislation be adopted, on the clearly implied grounds that they did not like Senator Turpie's ideas with reference to the commerce clause of the Constitution of the United States. I think Senator Turpie is an authority for the opponents of this legislation, not its proponents.

And, I am not afraid to have my analysis of this matter judged by people who will undertake the arduous process of thinking with their brains rather than the currently prevalent easy process of forming emotional decisions which seem to originate in their bellies, or wherever the source of emotional decisions of humans is located. These are truly times when those who hold responsible positions in the people's government should think with their heads and not with their bellies.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain parts of the record of hearings before the Public Lands Committee on the naval oil reserve in a series of insertions within the prescribed limitations.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. WENE, for 1 week, on account of illness.

To Mr. MALONEY, for 10 days, on account of official business.

To Mr. KLEIN, for 1 week, on account of illness.

To Mr. PACE, for today, on account of the flu.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 255. An act for the relief of Col. E. H. Tarbutton;

H. R. 302. An act for the relief of Robert Griffin;

H. R. 977. An act for the relief of Clare A. Miller;

H. R. 1379. An act for the relief of Gerald Estell Proctor;

H. R. 1640. An act for the relief of Mrs. J. D. Price;

H. R. 1933. An act for the relief of Ronald A. Cox;

H. R. 2080. An act to provide temporary additional pay for equipment maintenance for each carrier in Rural Mail Delivery Service;

H. R. 2545. An act for the relief of Samuel J. D. Marshall;

H. R. 2641. An act to authorize the acquisition by exchange of certain lands for addition to the Sequoia National Park;

H. R. 3039. An act for the relief of Mrs. C. W. Selby;

H. R. 3299. An act for the relief of Victor H. Loftus, disbursing clerk, American Embassy, Mexico, D. F., Mexico; and

H. J. Res. 186. Joint resolution to provide for the proper observance of the one hundred and fifty-second anniversary of the adoption of the first 10 amendments to the Constitution, known as the Bill of Rights.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Tuesday, December 14, 1943, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

953. A letter from E. G. Allen, rear admiral, United States Navy, Director of Budget and Reports, transmitting report showing the name, age, legal residence, rank, branch of service, with special qualifications therefor, of each person commissioned from civilian life into the Coast Guard Reserve during the period October 1, 1943, to November 30, 1943, who have not had prior commissioned military service, and in the Marine Corps and United States Naval Reserve for the period September 30 to November 27, 1943, inclusive; to the Committee on Naval Affairs.

954. A letter from the Chairman, Reconstruction Finance Corporation, transmitting the report of the Reconstruction Finance Corporation for the month of September 1943; to the Committee on Banking and Currency.

955. A letter from the Director, Selective Service System, transmitting a list of 18- to 38-year-old registrants deferred because of their employment in or under the Federal Government on October 15, 1943, as provided for in subsection C, Public Law 23, Seventy-eighth Congress, approved April 8, 1943; to the Committee on Military Affairs.

956. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the Secretary of War to acquire lands and provide facilities to replace Indian fishing grounds submerged or destroyed as a result of the construction of the Bonneville Dam; to the Committee on Rivers and Harbors.

957. A letter from the President of the Commission on Licensure, Healing Arts Practice Act, District of Columbia, transmitting the report showing the activities of the Commission for the fiscal year which ended June 30, 1943; to the Committee on the District of Columbia.

958. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed bills in reference to United States commissioners recommended by the Judicial Conference of Senior Circuit Judges at its recent annual meeting; to the Committee on the Judiciary.

959. A letter from the Director, Administrative Office of the United States Courts, transmitting in behalf of the Judicial Conference of Senior Circuit Judges, a draft of three proposed bills relating to selection of jurors and the jury system in the Federal courts, which were recommended by the conference at its last annual meeting on September 28 to October 1, 1943; to the Committee on the Judiciary.

960. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

961. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

962. A letter from the Acting Secretary of the Interior, transmitting pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy each of various legislation passed by the Municipal Council of St. Croix; to the Committee on Insular Affairs.

963. A letter from the Acting Secretary of the Interior, transmitting pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John; to the Committee on Insular Affairs.

964. A letter from the Administrator, National Housing Agency, transmitting copies of the requests for personnel needs during the second quarter of fiscal 1944 as placed before the Bureau of the Budget on October 1; to the Committee on the Civil Service.

965. A letter from the Director, Bureau of the Budget, transmitting copies of letters addressed to the heads of various agencies which establish limitations on the amounts which may be expended for travel, printing, and binding and the purchase of motor-propelled passenger-carrying vehicles; to the Committee on Appropriations.

966. A letter from the Acting Administrator, Federal Security Agency, transmitting information forwarded to the Director of the Bureau of the Budget covering a requested revision in the number of employees required for the proper and efficient exercise of the functions of Howard University; to the Committee on the Civil Service.

967. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill for the relief of C. Guy Evans, Garland Mineral Springs, Index, Wash.; to the Committee on Claims.

968. A letter from the Acting Administrator, Federal Security Agency, transmitting revised quarterly estimate Working Fund, Office of Education, and consolidated quarterly estimate form for the Office of Education, together with a consolidated report of Federal civilian employment, Form 3257, for the month of September 1943 for the Office of Education and the Federal Security Agency; to the Committee on the Civil Service.

969. A letter from the Secretary of War, transmitting a report showing the name, age, legal residence, rank, branch of the service, with special qualification therefor, of each person commissioned in the Army of the United States without prior commissioned military service, for the period October 1 through November 30, 1943; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARRETT: Committee on the Public Lands. H. R. 3807. A bill to provide for the extension of certain oil and gas leases; without amendment (Rept. No. 949). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. Special mission by aviation subcommittee of the Committee on Military Affairs, United States House of Representatives; without amendment (Rept. No. 950). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Merchant Marine and Fisheries. H. R. 3602. A bill to amend the act making it a misdemeanor to stow away on vessels; with amendment (Rept. No. 951). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CARSON of Ohio: Committee on Claims. H. R. 2126. A bill for the relief of David Cowan; with amendment (Rept. No. 953). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GOODWIN:

H. R. 3835. A bill to incorporate the United War Mothers of America, Inc.; to the Committee on the Judiciary.

By Mr. BARRY:

H. R. 3836. A bill to provide for payment of mustering-out pay to members of the armed forces, and for other purposes; to the Committee on Military Affairs.

By Mr. BOREN:

H. R. 3837. A bill to amend paragraph 1772, Tariff Act of 1930, to provide for the exemption from duty of imported paper conforming to certain specifications; to the Committee on Ways and Means.

By Mr. MAAS:

H. R. 3838. A bill to provide for the reincorporation of the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic; to the Committee on the Judiciary.

By Mr. STEWART:

H. R. 3839. A bill to authorize the purchase of certain interests in lands and mineral deposits by the United States from the Choctaw and Chickasaw Nations of Indians; to the Committee on Indian Affairs.

By Mr. CANNON of Missouri:

H. Res. 205. Joint resolution making an appropriation to assist in providing a supply and distribution of farm labor for the calendar year 1944; to the Committee on Appropriations.

H. Res. 379. Resolution providing for the consideration of House Joint Resolution 205, making an appropriation to assist in providing a supply and distribution of farm labor for the calendar year 1944; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURCHILL of New York:

H. R. 3840. A bill for the relief of Albert Barrett; to the Committee on Immigration and Naturalization.

By Mr. MUNDT:

H. R. 3841. A bill for the relief of Dr. J. D. Whiteside and St. Luke's Hospital; to the Committee on Claims.

By Mr. RUSSELL:

H. R. 3842. A bill for the relief of W. E. Noah; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4027. By Mr. ARNOLD: Petition of Amanda Weed, Mr. and Mrs. W. B. Collins, and about 50 other citizens of Laredo, Mo., urging support of House bill 2082, which seeks to enact prohibition within the United States for the duration of the war; to the Committee on the Judiciary.

4028. Also, petition of Mr. and Mrs. B. D. Sutton and 22 other citizens of Clarence, Mo., urging passage of House bill 2082, which calls for enaction of legislation to prohibit manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war, introduced by Hon. JOSEPH R. BRYSON, of South Carolina; to the Committee on the Judiciary.

4029. Also, petition of Mr. and Mrs. H. T. Huzeler and 36 other citizens of Kahoka, Mo., urging passage of House bill 2082, which calls for enaction of legislation to prohibit manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war, introduced by Hon. JOSEPH R. BRYSON, of South Carolina; to the Committee on the Judiciary.

4030. Also, petition of Mrs. W. E. Candall and 14 other citizens of Brookfield, Mo., urging passage of House bill 2082, which is a bill to prohibit manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war, introduced by Hon. JOSEPH R. BRYSON of South Carolina; to the Committee on the Judiciary.

4031. By Mr. HORAN: Thirty-nine petitions of 923 residents of the Fifth District of the State of Washington against prohibition legislation; to the Committee on the Judiciary.

4032. By Mr. HANCOCK: Petition of Mrs. R. F. Hart and other residents of Syracuse, N. Y., favoring passage of House bill 2082; to the Committee on the Judiciary.

4033. By Mr. LEFEVRE: Petition of the members of the Schoharie County Ministerial Association of Schoharie County, petitioning the Congress to pass House bill 2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

4034. By Mr. NORMAN: Petition of H. P. Buck, of Vancouver, Wash., and 37 other citizens of Vancouver, Camas, and Orchards, Wash., urging passage of House bill 2082 which would stop manufacture and sale of alcoholic beverages for the duration of the war and during demobilization; to the Committee on the Judiciary.

4035. By Mr. PLOESER: Petition of Francis E. Meckle and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4036. Also, petition of Adolph Buckowitz and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4037. Also, petition of J. C. Farrell and 19 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4038. Also, petition of the Riverside Manufacturing Co. and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4039. Also, petition of Harold W. Mulligan and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4040. Also, petition of E. C. Fisher and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4041. Also, petition of Charles Murdoch and 19 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4042. Also, petition of Frank J. Mohr and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4043. Also, petition of Lemms Restaurant and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4044. Also, petition of Herman J. Pohl and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4045. Also, petition of Addie Rogers and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4046. Also, petition of the Arnertorp Co. and 41 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4047. Also, petition of Ernst Zeitler and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4048. Also, petition of C. J. Fleming and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4049. Also, petition of George V. Brown and 24 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4050. Also, petition of John O'Hare and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4051. Also, petition of Perry K. Sparks and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4052 Also, petition of Mrs. H. J. Haas and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4053. Also, petition of John Grigaitis and 20 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4054. Also, petition of Shelby O. York and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4055. Also, petition of Richard Kanzler and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4056. Also, petition of R. F. Dempster and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4057. Also, petition of Fred Sinn and 19 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4058. Also, petition of John Fabbio and 22 petitioners of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4059. By Mr. REED of Illinois: Petition of Nick C. Savone and 20 petitioners of Du Page County, Ill., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

4060. By Mr. SATTERFIELD: Petition of L. H. Waters and 59 citizens of the Third Congressional District of Virginia, urging the passage of House bill 2082, prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

4061. Also, petition of William J. McNamara and 22 members of the Eagles Home Club, of Richmond, Va., protesting against the enactment of any prohibition legislation; to the Committee on the Judiicary.

4062. Also, petition of Davis G. Bottom and 22 members of the Samis Grotto Club, of Richmond, Va., protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

4063. Also, petition of F. H. Poston and 19 members of the Fort Mosby Social and Political Club, of Richmond, Va., protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

4064. By Mr. TALLE: Resolution of the Iowa State Commerce Commission, opposing House bill 3420 on the grounds that its enactment would destroy the right of the several States to regulate intrastate service, rates, and operations of carriers by air and would assert the right of Congress to deprive the States of the right to regulate the intrastate services and rates of all forms of transportation; to the Committee on Interstate and Foreign Commerce.

4065. By Mr. ROLPH: Resolution of Mission Parlor, No. 38, Native Sons of the Golden West, at San Francisco, respectfully requesting the President of the United States and Commander in Chief of the United States Army, to remove the war relocation centers from the jurisdiction of the War Relocation Authority, and place the same in charge of the United States Army; to the Committee on Military Affairs.

4066. Also, resolution of the Order of Railroad Telegraphers, at San Francisco; to the Committee on Military Affairs.

4067. By the SPEAKER: Petition of the executive secretary, League of California Cities, Los Angeles, Calif., petitioning consideration of their resolution with reference to post-war planning by the State and local government; to the Committee on Ways and Means.

4068. Also, petition of the Ninety-first Division Association, Inc., San Francisco, Calif., petitioning consideration of their resolution with reference to quotas on the growing of tobacco for the manufacture of cigarettes; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 14, 1943

The House met at 12 o'clock noon.

Rev. Edward Hughes Pruden, pastor, First Baptist Church, Washington, D. C., offered the following prayer:

Eternal God, our Heavenly Father, we thank Thee that in a rapidly changing world Thou art the same yesterday, today, and forever; that in a world filled with so many cruel and destructive forces Thou art our living and eternal Heavenly Father; that in a world with so much sin and transgression Thou art our adequate and only Saviour.

We look to Thee this day for the wisdom and understanding that is necessary for the proper carrying forward of cur responsibilities. We know that without Thee we can do nothing, but that through Christ we can do all things.

As we meet together in this important assembly, help us to remember that we are not only the representatives of the people but that we are the representatives and ambassadors of Jesus Christ, our Lord, through whom we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 94. Joint resolution establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes.

THE LATE MARVIN H. McINTYRE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, in the passing on of Marvin H. McIntyre, the President has lost a loyal and devoted friend and secretary, and the Nation, one of its most lovable and able sons.

Performing his serious duties and many confidential tasks quietly and efficiently, he impressed those who knew him with the fine attribute of loyalty he possessed and exemplified with his devotion to his Chief—the President of the United States; and underneath his kind and gentle personality the spirit of determination that enabled his frail body to physically carry on to points far beyond human endurance.

One of the definitions of "loyalty" or "loyal" is "true to any person to whom one owes fidelity; constant."

Marvin McIntyre, or "Mac" as he was fondly and respectfully called by his friends, was true and constant to President Roosevelt. It is a trait so lacking in many persons that when we meet one who possesses it we admire and respect him. Over and above all of the other fine qualities he possessed, Marvin McIntyre will be remembered for his unselfish, constant loyalty to the President and to his friends, and his untiring energy in expressing his loyalty by words and action.

When the history of President Roosevelt and of this trying period of our Nation's and the world's history is written in the future, the devotion and fidelity of Marvin McIntyre will receive prominence and proper recognition.

In his passing on, the Nation sustains a great loss.

To Mrs. McIntyre and her daughter and son, I extend my deep sympathy. I also know that my colleagues of the House, without regard to what side we sit on, join with me in expressing and conveying to them our profound sympathy in their great loss and sorrow.

DEFICIENCY APPROPRIATIONS BILL, 1944

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3598) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

[After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects and to include a short article in each.

The SPEAKER. Is there objection?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks